ADA American Dental Association
211 East Chicago Avenue
Chicago, Illinois 60611

The Bureau of Economic and Behavioral Research
1985

# The 1985 Survey of Dental Practice

## Income from the Private Practice of Dentistry

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# INCOME FROM THE PRIVATE PRACTICE OF DENTISTRY, 1984

## I. INTRODUCTION

The 1985 Survey of Dental Practice (SDP) is a version of the series of surveys that has been conducted every two or three years since the 1950's by the American Dental Association's Bureau of Economic and Behavioral Research. The purpose of the survey is to provide reliable information on characteristics of the private practice of dentistry in the United States.

The 1985 SDP consisted of detailed questions dealing with expenses of operating a private practice, net and gross income from the private practice of dentistry, the number of patient visits to the dentists, hours and weeks worked in the private practice, occupational status and employment status, practice personnel mix, auxiliary employment and wages, and other selected characteristics.

Dental fees, costs of operating a dental practice, the amount and mix of dental services rendered, and conditions in the market (for dental services) are all intricately related to the determination of income from the private practice of dentistry. The level and growth of dental incomes are indicators of the economic health of dental practice and are influential factors for those individuals contemplating entry into the dental profession. In 1984 the nation spent about 25.1 billion dollars for dental services, representing about 6.5% of the total amount spent by the nation for all health services.[1] Since these expenditures were for dental services, they also represent income (gross) earned by private practicing dentists.

This report contains an examination of dentists net and gross income from the private practice of dentistry. Net income of dental practice is defined as the difference between the gross income of the practice (i.e., gross expenditures made to the practice) and the expenses of operating the practice. That is, gross income represents the total of all fees and other payments derived from rendering services in a private dental practice. Net income is what remains after practice expenses have been deducted from gross income but before the payment of income taxes.

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[1]Source: Health Care Financing Administration, Department of Health and Human Services, 1985.

A. Survey Methodology

The 1985 Survey of Dental Practice consisted of two separate surveys - a long form and a condensed short-form that were sent to two different samples of dentists. The long-form was sent to 5%, and the short form, 4.5%, of all dentists who were known to be actively engaged in the private practice of dentistry.

A stratified systematic sampling scheme was selected. The population consisted of 127,411 dentists who, based on the 1982 Distribution of Dentists, were known to be active private practitoners, even if only on a part-time basis. The Distribution of Dentists is a dental census that is conducted periodically by the ADA. Both members and non-members of the ADA were included. Recent graduates (1982 through 1984) were added to the sampling frame prior to sample selection. Dentists with an unknown practice status were added to the sampling frame.

The samples were ordered by type of practice - general practitioner or specialist, then by state within each practice type, and lastly by year of graduation from dental school within each state. Specialists were oversampled to ensure a sufficient number of cases for statistical analysis. Weights were developed based on the proportion of general practitioners and specialists in the population and in the sample, and were applied to all analyses combining general practitioners and specialists.

Both forms of the survey were initially mailed in April, 1985. Two follow-up mailings to non-respondents occurred in May and June, 1985. Long-form dentists who had not yet responded by July, 1985 received a follow-up telephone interview. Coding, hand-editing, and computer processing were completed by October, 1985. The sample size for each survey was adjusted based on the number of dentists who were found to be retired, deceased, no longer in private practice, or unlocatable. The final completion rate, based on the adjusted sample size was 46.9% for the long form, and 49.2% for the short-form, with an overall response rate of 47.5%.

Responses from both forms were combined after the appropriate statistical tests showed that there were no significant differences on responses to crucial items between the samples.

B. General Characteristics of the Private Practice of Dentistry in the United States, 1984

Of all the nation's dentists who work in the private practice of dentistry, 96.7% do so as a primary occupation. Most (91.2%) work only in a primary practice, 5.5% work in both a primary and secondary practice, while 3.3% work in private practice as a secondary occupation only. Of these dentists working only in private practice

as a secondary occupation, 67.6% work primarily as dental school faculty, hospital staff, or are pursuing postgraduate education. A primary occupation unrelated to dentistry was reported by 7.9%, while 10.5% are employed by federal or local government.

More than half (53%) of the nations' private practitioners are under the age of 45, 21.5% are under the age of 35, and about 6.8% are 65 years of age or older. Roughly 65.8% of the private practitioners graduated from dental school since 1960, and about 24.2% have graduated since 1975. Dentists in private practice are distributed relatively equally among the four major U.S. census divisions. About 25% are located in the northeast, 28% in the south, 26% in the northcentral, and 21% in the west.

Most dentists (90%) practice dentistry on a full-time basis (more than 32 hours per week). About 57.7% of the private practitioners reported having worked more than 40 hours per week. On an annual basis, 82.7% of the private practitioners worked more than 1,600 hours, while 50.1% worked more than 2,000 hours.

The majority of dentists (94.4%) are owners of their practices. Of these, 56.5% are sole proprietors, 32.1% are shareholders in an incorporated dental practice, and 5.8% are partners. About 5.6% of private practitioners are nonowners - 3.4% employed as an associate on a salary, commission, or percentage basis and 2.2% as independent contractors.

The solo dental practice is the most typical size of private practice. About 72.3% of the nations' private practitioners are working in a practice with no other dentist, while 17.5% are working with one other dentist, and 10.2% with two or more dentists.

## II. INCOME FROM THE PRIVATE PRACTICE OF DENTISTRY

### A. General

The net income data presented in this report are based on results of the 1985 Survey of Dental Practice and are restricted to those dentists who report that they are in private practice as a primary occupation. Dentists were asked to report their net income earned from private practice and any income earned from other sources in dentistry (e.g., teaching, consulting, hospitals, and other sources). Independent dentists (i.e., sole proprietors, partners, and shareholders) reported their net income before personal taxes, while nonowner dentists (i.e., employees, associates, and non-shareholders) reported gross salaries, wages, commissions and percentages from private practice. The reader is cautioned, however, that a transition from what a dentist reports as net income to the gross income of a dental practice cannot be easily made. In the case of a solo dentist (i.e., working with no other dentist in the same practice), the reported net income is the same as the net income of the practice. In the case of an independent dentist working in a nonsolo practice, the reported net income is not the same as the net income of the practice. Gross income of this latter dentist would require an arbitrary allocation of the gross income reported for the practice.

Three different estimates of net income from the private practice of dentistry are contained in this report: (1) net income from the primary practice alone; (2) net income from private practice; and, (3) total net income from all dental sources. Net income from the primary practice is what the dentist reported as income (after practice expenses but before personal taxes) from a primary practice. Net income from private practice is the net income from the primary practice plus income earned from a secondary private practice. Total net income from all dental sources includes net income from primary practice, net income from secondary practice, and any other income derived from other dental sources, such as teaching in a dental school, consulting, or working as a hospital staff dentist.

### B. Income of Independent Dentists

Independent dentists, owners in full or part of a practice, comprise 94% of the nation's private practitioners who are in private practice as a primary occupation.

The net income of independent dentists in 1984 is reported in Table 1. Regardless of the source of net income, the median income remained at $60,000. The means were: primary practice-$65,460; private practice-$65,990; and total from dentistry-$66,940. The difference between the average net income from primary practice and the average net income from all sources was only about $1,480.

Table 1

Net Income of Independent Dentists
by Source of Dental Income, 1984

| Source of Net Income | Median | Mean | n+ | S.D. |
|---|---|---|---|---|
| Primary Practice | $60,000 | $65,460 | 4,436 | $43,640 |
| Private Practice | 60,000 | 65,990 | 4,374 | 44,500 |
| Total from Dentistry | 60,000 | 66,940 | 4,374 | 45,070 |

Source: American Dental Association, 1985 Survey of Dental Practice.

+Throughout this report, "n" refers to the number of survey respondents.

A similar table of net income from independent private practice for general practitioners (GPs) and specialists is shown in Table 2*. The median income (from all sources) for GPs was $56,000 and $87,000 for specialists. The mean net income of both GPs and specialists exceeded the median values. The mean net income from primary

*This report does not contain statistics for individual specialties. Specialty groups were not sampled and, thus, the number of respondents in some specialty groups was too few for statistical analysis.

practice for GPs was $60,260, which was about 8% less than the average for all dentists shown in Table 1. Specialists in primary practice had a mean net income of $94,050, which exceeded the mean net income of all independent dentists by about 44%. Similar to all independent dentists, GPs net income from primary practice was about 98% of the average income from all dental sources. Specialists' net income from primary practice was only slightly less, representing 97% of the mean total income from dentistry. Both GPs and specialists derive their net income from a private practice that represents their primary dental occupation.

Table 2

Net Income of Independent General Practitioners and Independent Specialists by Source of Dental Income, 1984

General Practitioners

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $55,000 | $60,260 | 3,422 | $39,160 |
| Private Practice | 55,000 | 60,790 | 3,398 | 39,150 |
| Total from Dentistry | 56,000 | 61,610 | 3,398 | 39,740 |

Specialists

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $84,110 | $94,050 | 1,014 | $54,870 |
| Private Practice | 85,000 | 95,450 | 976 | 59,130 |
| Total from Dentistry | 87,000 | 97,280 | 976 | 59,250 |

Source: American Dental Association, 1985 Survey of Dental Practice.

An age-earnings profile is a means of examining the relationship between earnings and experience. Earnings of the least experienced dentists are the lowest, and as experience of practicing dentistry increases, so does dental related income. Earnings tend to reach a maximum between ages 40-50, and then decline as dentists approaching older age levels begin to consider full- or part-time retirement from private practice. Table 3 contains the mean income of independent dentists by age of the dentist.

Table 3

Mean Net Income of Independent Dentists by Age and Source of Dental Income, 1984

| Age (years) | Source of Net Income: Primary Practice | | Private Practice | | Total from Dentistry | |
|---|---|---|---|---|---|---|
| | Mean | n | Mean | n | Mean | n |
| Less than 30 | $38,080 | 132 | $40,090 | 130 | $40,930 | 130 |
| 30-34 | 54,020 | 647 | 54,630 | 637 | 55,770 | 637 |
| 35-39 | 65,450 | 800 | 66,260 | 786 | 67,150 | 786 |
| 40-44 | 77,510 | 690 | 77,370 | 677 | 78,460 | 677 |
| 45-49 | 82,740 | 504 | 83,360 | 498 | 84,870 | 498 |
| 50-54 | 74,500 | 492 | 75,040 | 485 | 75,610 | 485 |
| 55-59 | 67,830 | 410 | 68,590 | 409 | 69,610 | 409 |
| 60 or older | 53,300 | 719 | 53,530 | 713 | 54,180 | 713 |

Source: American Dental Association, 1985 Survey of Dental Practice.

For each source of net income, the lowest mean income occurs among dentists with the least experience (i.e., the youngest age group). The next lowest mean income occurs among dentists who are most experienced, 60 years of age and older. The average net income from primary practice for the youngest age group was $38,080, and the highest mean net income from primary practice occurred in the age group 45-49 years of age ($82,740). The most experienced dentists earned an average of $53,300. For all age groups, except dentists less than 30, the percentage of income derived from the primary practice ranged from 97-99%. Dentists less than 30 years of age derived slightly less, 93%, of their total dental income from the primary practice.

Income of independent general practitioners and specialists by age group and source of dental income is presented in Table 4.

Table 4

Mean Net Income of Independent General Practitioners and Independent Specialists by Age and Source of Dental Income, 1984

| Age (years) | Source of Net Income: Primary Practice Mean | Primary Practice n | Private Practice Mean | Private Practice n | Total from Dentistry Mean | Total from Dentistry n |
|---|---|---|---|---|---|---|
| | | | General Practitioners | | | |
| Less than 30 | $ 37,610 | 130 | $ 39,630 | 128 | $ 40,480 | 128 |
| 30-34 | 51,400 | 572 | 52,250 | 567 | 53,150 | 567 |
| 35-39 | 60,080 | 599 | 60,640 | 591 | 61,420 | 591 |
| 40-44 | 68,730 | 471 | 69,080 | 468 | 69,880 | 468 |
| 45-49 | 75,780 | 340 | 76,120 | 340 | 77,500 | 340 |
| 50-54 | 70,310 | 363 | 70,740 | 362 | 71,180 | 362 |
| 55-59 | 64,580 | 305 | 64,530 | 304 | 65,290 | 304 |
| 60 or older | 51,370 | 603 | 51,580 | 600 | 52,220 | 600 |
| | | | Specialists* | | | |
| Less than 35 | $ 86,570 | 77 | $ 86,110 | 72 | $ 90,230 | 72 |
| 35-39 | 91,480 | 201 | 93,970 | 195 | 95,390 | 195 |
| 40-44 | 108,220 | 219 | 107,580 | 209 | 109,670 | 209 |
| 45-49 | 106,200 | 164 | 108,710 | 158 | 110,660 | 158 |
| 50-54 | 93,710 | 129 | 95,650 | 123 | 96,860 | 123 |
| 55-59 | 83,180 | 105 | 87,680 | 105 | 89,940 | 105 |
| 60 or older | 69,690 | 116 | 70,420 | 113 | 71,060 | 113 |

Source: American Dental Association, 1985 Survey of Dental Practice.

*For specialists, the age group "less than 30" and "30-34" were combined into "less than 35" due to the small number of specialists who were less than 30 years old.

The age earning profile of independent specialists tends to differ from the independent GPs and all independents profiles in two respects: (1) an insignificant number of specilaists are in private practice before the age of 30 years, due to the longer educational requirements; and (2) the mean net income of specialists over the maximum income years is less stable than for GPs in a similar age group.

The amount of time dentists spend in the practice of dentistry has been examined with regard to productivity (i.e., the amount of dentistry supplied to patients, the level of dental income and the amount of dentist time, and how dentists spend time providing various dental procedures). In 1984, independent dentists in private practice spent, on average, 42.4 hours per week in the practice and 32.5 hours per week in the treatment of patients*. On a yearly basis, private practitioners averaged 2,022 hours in the primary practice and 1,549 hours treating patients.

Table 5 contains the percentage distribution of independent private practitioners by: (1) average hours per week in the practice and, (2) average hours per year in the practice.

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*Annual hours per year was determined by multiplying weeks worked per year in the primary practice times hours worked per week. A dentist working 50 weeks per year at the rate of 40 hours per week spends 2,000 hours per year in the practice.

Table 5

Time Spent by Independent Dentists in Private Practice, Percentage Distribution by Hours Per Week and Hours Per Year, 1984

| Hours Per Week | Percent | n |
|---|---|---|
| Less than 20 | 1.3% | 67 |
| 20-29 | 4.7 | 244 |
| 30-39 | 28.7 | 1,487 |
| 40-49 | 46.6 | 2,414 |
| 50 or more | 18.7 | 969 |
| Total | 100.0 | 5,181 |
| **Hours Per Year** | | |
| Less than 1,000 | 2.4% | 124 |
| 1,000-1,199 | 2.1 | 108 |
| 1,200-1,399 | 3.9 | 202 |
| 1,400-1,599 | 7.6 | 392 |
| 1,600-1,799 | 12.7 | 656 |
| 1,800-1,999 | 19.2 | 991 |
| 2,000-2,199 | 18.6 | 961 |
| 2,200-2,399 | 14.5 | 749 |
| 2,400 or more | 19.0 | 981 |
| Total | 100.0 | 5,164 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Approximately 6% of independent dentists in private practice during 1984 spent less than 30 hours per week in the practice, while 94% spent 30 or more hours per week in their primary dental practices. About 65% of the independent private practitioners spent 40 or more hours per week in the practice. Annually, about 16% worked less than 1,600 hours, while slightly more than 1 out of 2 (52%) worked 2,000 hours or more per year.

Table 6 contains the average net income of all independent dentists in private practice by the amount of time spent in the practice.

Table 6

Mean Net Income of Independent Dentists by Hours Per Week, Hours Per Year, and Source of Dental Income, 1984

| Hours Per Week | All Independent Dentists | General Practitioners | Specialists |
|---|---|---|---|
| Less than 32 hours: | | | |
| Primary Practice | $ 44,480 | $ 40,340 | $ 62,800 |
| Private Practice | 47,140 | 42,630 | 68,030 |
| Total from Dentistry | 49,240 | 44,040 | 73,300 |
| 32 hours or more: | | | |
| Primary Practice | 67,450 | 62,050 | 97,950 |
| Private Practice | 67,740 | 62,430 | 98,670 |
| Total from Dentistry | 68,610 | 63,200 | 100,090 |
| Hours Per Year | | | |
| Less than 1,600 hours: | | | |
| Primary Practice | $ 51,460 | $ 45,420 | $ 77,090 |
| Private Practice | 53,070 | 46,970 | 80,170 |
| Total from Dentistry | 54,750 | 48,120 | 84,180 |
| 1,600 hours or more: | | | |
| Primary Practice | 67,890 | 62,690 | 98,190 |
| Private Practice | 68,180 | 63,050 | 98,940 |
| Total from Dentistry | 69,030 | 63,820 | 100,280 |

Source: American Dental Association, 1985 Survey of Dental Practice.

As expected, income from private practice was lower among dentists working fewer hours in the practice. This was the case for both hours per week and hours per year. It is still the case, however, that dentists working in a primary private practice earn most of their annual net income from that primary practice, although the percentage is slightly lower for dentists working fewer hours. Specialists working fewer hours earn 92% of their income from the primary practice, while for those working more hours, the figure is 98%. Table 7 contains the average number of hours and the average age of the dentists for the groups reported in Table 6.

Table 7

Mean Hours Worked and Mean Age of Independent Dentists in Private Practice, 1984

| Hours Per Week | All Independent Dentists | General Practitioners | Specialists |
|---|---|---|---|
| Less than 32 hours: | | | |
| Mean age | 55.2 | 55.8 | 52.4 |
| Mean hours/week | 26.1 | 26.1 | 26.3 |
| 32 hours or more: | | | |
| Mean age | 45.5 | 45.5 | 45.8 |
| Mean hours/week | 44.1 | 44.1 | 44.1 |
| Hours Per Year | | | |
| Less than 1,600 hours: | | | |
| Mean age | 53.7 | 54.3 | 51.1 |
| Mean hours/week | 29.9 | 29.8 | 30.1 |
| 1,600 hours or more: | | | |
| Mean age | 45.1 | 45.0 | 45.4 |
| Mean hours/week | 44.7 | 44.7 | 44.9 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Dentists who worked less than 32 hours per week or who worked less than 1,600 per year were, on average, older than all dentists. The average age of all independent dentists is 46.4 years (median age is 44 years), compared to 55.2 years for all dentists working less than 32 hours per week, and 53.7 years for all dentists working less than 1,600 hours per year. Dentists working the fewest hours per week or per year tend to be older, rather than younger dentists. This may simply reflect the decision of older dentists to scale down the amount of time in practice in anticipation of total or semi-retirement. Although not shown in these tables, about 17.2% of the dentists are less than 35 years old, and of these dentists, about 4.1% work less than 32 hours per week. Similarly, about 7.2% of the dentists less than 35 years of age worked less than 1,600 hours per year. About 26.6% of the private practitioners are 55 years of age or older, and of this group of dentists, 19.3% worked less than 32 hours per week and 30.3% worked less than 1,600 hours per year.

These data seem to suggest that the amount of time that dentists spend in the practice partially reflects a natural work-life cycle. Most of the youngest dentists who are working in a primary private practice are doing so on a "full-time" basis in anticipation of building a practice. A significantly larger percent of the oldest dentists are working "part-time". Since no information is provided in these data concerning dental market conditions in the area of practice of these dentists, little can be said about the extent to which dentists working fewer hours are doing so because of a lack of patients or patient visits.

Independent dentists (i.e., dentists who are owners or share in the ownership of a practice) have three practice options. They may practice as unincorporated sole proprietorships (i.e., one owner), partners in an unincorporated partnership, or shareholders in an incorporated practice. Most dentists (94.4%) are owners of a dental practice. Table 8 contains the distribution of independent dentists in private practice by type of practice.

Table 8

Percentage Distribution of Independent Dentists by Current Employment Status and Initial Employment Status in the Primary Practice, 1984

| Current Employment Status | Percent | n |
|---|---|---|
| Sole proprietor | 61.9% | 3,218 |
| Partner | 6.1 | 317 |
| Shareholder | 32.0 | 1,660 |
| | 100.0 | 5,195 |
| **Initial Employment Status in Current Practice** | | |
| Sole proprietor | 77.6% | 4,015 |
| Partner | 5.9 | 305 |
| Shareholder | 5.6 | 290 |
| Employed (unincorporated) | 3.6 | 186 |
| Nonshareholder (incorporated) | 5.6 | 290 |
| Independent contractor | 1.7 | 88 |
| | 100.0 | 5,174 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Most of the independent dentists currently in private practice are practicing in sole proprietorships (61.9%), the sole owners of the primary practice where they practice*. Only about 6.1% of currently practicing dentists are partners in a partnership and an additional 32.0% are shareholders in incorporated practices.

In addition to the current practice (employment) status of private practitioners, data are provided in Table 8 about the employment status of dentists when they first began in their current primary practice. Most (77.6%) started in their current practice as the sole proprietor. The remaining 22.4% started as partners (5.9%), shareholders in an incorporated practice (5.6%), employed dentists in an unincorporated practice (3.6%), nonshareholders in an incorporated practice (5.6%), and independent contractors (1.7%).

Table 9 contains data on the current status of independent practitioners according to their initial employment status in the practice.

Table 9

Current Employment Status of Independent Dentists by Initial Employment Status in the Current Practice, 1984

| Initial Employment Status in Current Practice | Current Employment Status: Sole Proprietor | Partner | Shareholder | Total |
|---|---|---|---|---|
| Sole proprietor | 71.2% | 2.3% | 26.5% | 100.0% |
| Partner | 29.8 | 43.6 | 26.6 | 100.0 |
| Shareholder | 3.7 | 0.6 | 95.7 | 100.0 |
| Employed (unincorporated) | 32.8 | 14.0 | 53.2 | 100.0 |
| Nonshareholder (incorporated) | 47.1 | 16.2 | 36.7 | 100.0 |
| Independent contractors | 49.3 | 18.1 | 32.6 | 100.0 |

Source: American Dental Association, 1985 Survey of Dental Practice.

*A dentist who is a sole proprietor may or may not work with other dentists in the same practice. A sole proprietor of a practice that works with no other dentists is a solo dentist. A sole proprietor may, however, employ other dentists and is, thus, not a solo dentist. A single owner of a dental practice that is incorporated is included under "incorporated" in Table 8. A solo dentist may also be an incorporated dentist.

Close to 78% of the independent dentists currently in private practice began in their current practice as sole proprietors. Of these dentists, 71.2% continue to practice as sole proprietors, while 2.3% are now practicing as partners, and 26.5% are now practicing as shareholders in an incorporated practice (Table 9). Note that since reference is made to the "same" practice (i.e., the current primary practice), then the data show the changes that have taken place in both the employment status of dentists and the character of the practice.

The data in Table 8 indicates that approximately 10.9% of the currently independent dentists started in a nonownership position in the practice (i.e., employed or nonshareholder). Table 9 indicates that most of these dentists are now practicing as sole proprietors or shareholders in that same practice.

The current employment status of independent dentists in primary practice by age of the dentist is shown in Table 10.

Table 10

Percentage Distribution of Independent Dentists by Current Employment Status and Age of the Dentist, 1984

| Age (years) | Current Employment Status: Sole Proprietor | Partner | Shareholder | Total |
|---|---|---|---|---|
| Less than 30 | 4.0% | 4.6% | 1.3% | --- |
| 30-34 | 15.5 | 21.3 | 12.8 | --- |
| 35-39 | 16.2 | 21.9 | 19.3 | --- |
| 40-44 | 12.1 | 14.9 | 19.7 | --- |
| 45-49 | 8.4 | 8.9 | 15.9 | --- |
| 50-54 | 11.5 | 6.1 | 13.1 | --- |
| 55-59 | 9.9 | 8.4 | 7.9 | --- |
| 60 or older | 22.4 | 13.9 | 10.0 | --- |
| Total | 100.0 | 100.0 | 100.0 | --- |
| | | | | |
| Less than 30 | 78.4% | 8.8% | 12.8% | 100.0% |
| 30-34 | 64.0 | 8.6 | 27.4 | 100.0 |
| 35-39 | 57.1 | 7.6 | 35.3 | 100.0 |
| 40-44 | 50.8 | 6.1 | 43.1 | 100.0 |
| 45-49 | 47.8 | 5.0 | 47.2 | 100.0 |
| 50-54 | 60.9 | 3.1 | 36.0 | 100.0 |
| 55-59 | 66.7 | 5.5 | 27.8 | 100.0 |
| 60 or older | 77.4 | 4.7 | 17.9 | 100.0 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Most independent dentists currently in private practice are sole proprietors (61.9%). Among all sole proprietors, about 19.5% are less than 35 years of age, and 22% are 60 years of age or older (Table 10, top half). The percentage of dentists who are sole proprietors declines somewhat after age 39, staying relatively constant (8-12%) between the ages of 45-59. The percentage of sole proprietor dentists reaches the highest proportion (22.4%) among dentists 60 years of age or older.

The bottom portion of Table 10 contains the distribution of independent dentists by type of practice status within each age group. Among all dentists with the least experience as private practitioners (i.e., dentists less than 30 years old), 78.4% are sole proprietors, although only 4% of private practitioners are in this age group. Within any age group of practitioners, sole proprietorship is the predominant form of dental practice ownership. Similar to that shown in the top portion of Table 10, sole proprietorships are most frequent among the dentists with the least experience (youngest) and the most experience (oldest).

Partnerships, on the other hand, show no significant pattern. The less than 30 age group shows a slightly higher percentage of partnerships than other groups, 8.8%. Shareholders in incorporated practices are least common among the youngest and oldest age groups, and reach a high of 47.2% in the 45-49 years of age category.

Table 11 contains the mean income of independent dentists practicing as sole proprietors, partners, and shareholders in an incorporated dental practice.

Table 11

Mean Net Income of Independent Dentists by Employment Status in the Primary Practice and by Source of Dental Income, 1984

| Source of Net Income | Sole Proprietor | | Partner | | Shareholder | |
|---|---|---|---|---|---|---|
| | Mean | n | Mean | n | Mean | n |
| | | | All Independent Dentists | | | |
| Primary Practice | $ 55,830 | 2,673 | $ 64,480 | 259 | $ 84,440 | 1,504 |
| Private Practice | 56,430 | 2,651 | 65,650 | 254 | 85,000 | 1,469 |
| Total from Dentistry | 57,340 | 2,651 | 67,030 | 254 | 86,020 | 1,469 |
| Mean Dentist Age | 47.4 | 3,084 | 43.6 | 314 | 45.0 | 1,765 |
| | | | General Practitioners | | | |
| Primary Practice | $ 53,660 | 2,272 | $ 57,550 | 199 | $ 76,570 | 951 |
| Private Practice | 54,240 | 2,265 | 59,310 | 197 | 76,970 | 936 |
| Total from Dentistry | 55,080 | 2,265 | 60,160 | 197 | 77,730 | 936 |
| Mean Dentist Age | 47.4 | 2,617 | 43.0 | 238 | 44.6 | 1,102 |
| | | | Specialists | | | |
| Primary Practice | $ 75,780 | 401 | $101,870 | 60 | $106,460 | 553 |
| Private Practice | 77,350 | 386 | 101,270 | 57 | 107,940 | 533 |
| Total from Dentistry | 78,890 | 386 | 105,670 | 57 | 109,700 | 533 |
| Mean Dentist Age | 47.2 | 467 | 46.3 | 76 | 46.1 | 663 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Regardless of employment status of the dentist, most of the net income is earned from a primary private dental practice. There is, however, variation in income among dentists in different employment arrangements. Although most independent dentists work in sole proprietorships, they earn, on average, lower net incomes than do independent dentists in other practice arrangements. Among all dentists working as shareholders in an incorporated practice, the mean net income from the primary practice was $84,440 representing about 51% more than the corresponding average net income earned by sole proprietors ($55,830). Among general practitioners, this difference amounts to 43%; among specialists the difference in net income between sole proprietors and shareholders is 40%.

The mean net income earned by independent dentists in private practice by geographic region of the U.S. is shown in Table 12.

Table 12

Mean Net Income and Mean Age of Independent Dentists, by U.S. Region and Source of Dental Income, 1984

| Region | Primary Practice | Private Practice | Total from Dentistry | n | Mean Age |
|---|---|---|---|---|---|
| | | All Independent Dentists | | | |
| New England | $ 65,240 | $ 65,460 | $ 66,430 | 287 | 47.7 |
| Middle Atlantic | 64,410 | 64,970 | 66,090 | 786 | 48.6 |
| East North Central | 62,400 | 63,140 | 64,500 | 791 | 46.2 |
| West North Central | 65,030 | 64,200 | 64,770 | 367 | 45.5 |
| South Atlantic | 70,480 | 71,150 | 71,850 | 643 | 45.7 |
| East South Central | 63,950 | 64,450 | 65,190 | 233 | 45.6 |
| West South Central | 65,970 | 66,450 | 67,570 | 353 | 44.4 |
| Mountain | 63,930 | 64,490 | 65,320 | 252 | 44.0 |
| Pacific | 67,310 | 68,390 | 69,140 | 702 | 46.4 |
| | | General Practitioners | | | |
| New England | $ 61,250 | $ 61,510 | $ 62,100 | 214 | 47.8 |
| Middle Atlantic | 59,390 | 59,960 | 60,920 | 597 | 48.8 |
| East North Central | 57,820 | 58,490 | 59,680 | 647 | 46.7 |
| West North Central | 58,250 | 58,260 | 58,740 | 302 | 45.4 |
| South Atlantic | 65,860 | 66,550 | 67,190 | 479 | 45.8 |
| East South Central | 58,900 | 59,240 | 59,930 | 176 | 46.0 |
| West South Central | 58,970 | 59,110 | 59,980 | 269 | 44.0 |
| Mountain | 54,480 | 54,900 | 55,730 | 183 | 43.8 |
| Pacific | 63,530 | 64,430 | 64,950 | 537 | 46.1 |
| | | Specialists* | | | |
| New England | $ 84,290 | $ 85,050 | $ 87,880 | 73 | 47.3 |
| Middle Atlantic | 90,230 | 91,460 | 93,410 | 189 | 47.9 |
| East North Central | 95,910 | 97,810 | 100,480 | 144 | 46.3 |
| West North Central | 116,260 | 111,930 | 113,140 | 65 | 45.9 |
| South Atlantic | 92,420 | 94,320 | 95,320 | 164 | 45.3 |
| East South Central | 89,290 | 90,480 | 91,450 | 57 | 43.4 |
| West South Central | 102,380 | 105,305 | 107,790 | 84 | 46.3 |
| Mountain | 104,670 | 106,820 | 107,700 | 69 | 44.9 |
| Pacific | 87,310 | 89,800 | 91,730 | 165 | 48.1 |

Source: American Dental Association, 1985 Survey of Dental Practice.

*The mean net income of specialists by region is less reliable than that of GPs due to the smaller sample of specialists per geographic region.

The mean net income from primary practice for all independent dentists was shown to be $65,460 in Table 1. The mean net income was lower than the national average in six of the nine regions, including New England ($62,240), Middle Atlantic ($64,410), West North Central ($65,030), East North Central ($62,400), East South Central ($63,950), and Mountain ($63,930). The remaining three regions had mean net incomes that exceeded the national average. Among independent general practitioners, six regions had mean net incomes lower than the national average net income of general practitioners ($60,260 - Table 2). For independent specialists the national average net income from a primary practice was $94,050. Five out of the nine regions showed averages exceeding the national average. These averages ranged from $84,290 in the New England region to $116,260 in the West North Central Region.

In general, the source of dentists' net income is not affected by the region where they practice. This is true, on average, for all independent dentists, who earned between 97% and 99% of net income from primary practice.

C. Income of Solo Dentists

The solo dentist practice is the most typical size of private practice. About 72% of all the nation's private practitioners were working in a practice with no other dentist. Solo dentists earn 98% of their annual income from the primary practice.

The net income of solo dentists in 1984 is reported in Table 13. For each net source of dental income, the median was $60,000. Mean income exceeds the median values by $2,370 for primary practice income to $3,590 for total net income. The mean net income from primary practice was $62,370 and represented 98% of the average income from all dental sources.

Table 13

Net Income of Solo Dentists
by Source of Dental Income, 1984

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $60,000 | $62,370 | 3,404 | $41,240 |
| Private Practice | 60,000 | 62,760 | 3,369 | 41,320 |
| Total from Dentistry | 60,000 | 63,590 | 3,369 | 41,500 |

Source: American Dental Association, 1985 Survey of Dental Practice.

The mean net income for solo general practitioners and specialists is shown in Table 14. The median net income for solo GPs (from all sources) was $54,500, which was lower than the median net income of all solo dentists.

Table 14

Mean Net Income of Solo General Practitioners and Solo Specialists by Source of Dental Income, 1984

General Practitioners

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $53,000 | $57,850 | 2,682 | $36,620 |
| Private Practice | 54,000 | 58,200 | 2,671 | 36,520 |
| Total from Dentistry | 54,500 | 58,910 | 2,671 | 36,630 |

Specialists

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $80,000 | $86,690 | 722 | $54,330 |
| Private Practice | 80,000 | 91,070 | 698 | 55,010 |
| Total from Dentistry | 80,160 | 92,700 | 698 | 55,040 |

Source: American Dental Association, 1985 Survey of Dental Practice.

The median net income of solo specialists (from all sources) was $80,160. The mean net incomes of both solo GPs and solo specialists exceeded the median values. The mean net income from primary practice for solo GPs was $57,850, which was about 7.8% less than the average for all dentists shown in Table 13. Specialists in solo practice had a mean net income of $86,690, which exceeded the mean net income of all solo dentists by about 39%. Both solo GPs and solo specialists derive their net income from a private practice that represents their primary dental occupation.

Table 15

Mean Net Income of Solo Dentists by Age and by Source of Dental Income, 1984

| Age (years) | Source of Net Income: Primary Practice | | Private Practice | | Total from Dentistry | |
|---|---|---|---|---|---|---|
| | Mean | n | Mean | n | Mean | n |
| Less than 30 | $37,750 | 104 | $38,780 | 102 | $39,320 | 102 |
| 30-34 | 52,070 | 476 | 52,280 | 468 | 53,510 | 468 |
| 35-39 | 63,030 | 594 | 63,570 | 586 | 64,420 | 586 |
| 40-44 | 73,080 | 524 | 73,490 | 518 | 74,420 | 518 |
| 45-49 | 79,240 | 382 | 79,650 | 381 | 80,630 | 381 |
| 50-54 | 71,120 | 387 | 71,610 | 383 | 72,230 | 383 |
| 55-59 | 64,960 | 331 | 64,960 | 330 | 65,780 | 330 |
| 60 or older | 49,350 | 576 | 49,460 | 572 | 49,880 | 572 |

Source: American Dental Association, 1985 Survey of Dental Practice.

The lowest mean net income occurs among solo dentists with the least experience (i.e., the youngest age group). Table 15 shows that the average net income from primary practice for the youngest age group was $37,750, and the highest mean net income from primary practice occurred in the age group 45-49 years of age. The most experienced solo dentists earned an average of $49,350 from primary practice. Regardless of the dollar amounts earned, all solo dentists earn most of their income from a primary dental practice.

Income from dentistry by dentist age, for solo general practitioners and solo specialists is shown in Table 16.

Table 16

Mean Net Income of Solo General Practitioners and Solo Specialists by Age and Source of Dental Income, 1984

| Age (years) | Source of Net Income: Primary Practice Mean | n | Private Practice Mean | n | Total from Dentistry Mean | n |
|---|---|---|---|---|---|---|
| | | | General Practitioners | | | |
| Less than 30 | $ 37,140 | 102 | $ 38,170 | 100 | $ 38,720 | 100 |
| 30-34 | 49,690 | 422 | 50,280 | 419 | 51,230 | 419 |
| 35-39 | 58,330 | 452 | 58,610 | 449 | 59,380 | 449 |
| 40-44 | 65,500 | 369 | 65,880 | 369 | 66,670 | 369 |
| 45-49 | 72,560 | 268 | 72,840 | 268 | 73,730 | 268 |
| 50-54 | 67,180 | 289 | 67,370 | 289 | 67,880 | 289 |
| 55-59 | 63,240 | 258 | 63,180 | 257 | 63,700 | 257 |
| 60 or older | 47,590 | 493 | 47,660 | 491 | 48,070 | 491 |
| | | | Specialists* | | | |
| Less than 35** | $ 82,430 | 56 | $ 80,400 | 51 | $ 85,240 | 51 |
| 35-39 | 87,370 | 142 | 89,980 | 137 | 91,270 | 137 |
| 40-44 | 102,400 | 155 | 104,140 | 149 | 105,620 | 149 |
| 45-49 | 104,790 | 114 | 105,950 | 113 | 107,210 | 113 |
| 50-54 | 90,010 | 98 | 92,800 | 94 | 94,010 | 94 |
| 55-59 | 74,880 | 73 | 75,150 | 73 | 77,720 | 73 |
| 60 or older | 66,380 | 83 | 67,200 | 81 | 67,790 | 81 |

Source: American Dental Association, 1985 Survey of Dental Practice.

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*For specialists, the age group "less than 30" and "35-39" were combined into "less than 35" due to the small number of specialists who were less than 30 years old.

**The mean net income of specialists in the less than 35 age group is less reliable than for other age groups, due to the smaller sample of specialists in that age group.

The age earnings profile of solo GPs is very similar to that of all solo dentists in Table 15. The mean income of solo GPs is lower than the income of all solo dentists, reflecting the absence of the specialists' income. Solo GP mean net income from primary practice reaches a maximum in the 45-49 year old age group, as it does for all solo dentists.

In 1984, solo dentists in private practice spent, on average, 42.2 hours per week in the practice and 32.3 hours per week treating patients. Annually, solo practitioners average 2,018 hours per year in the primary practice and 1,546 hours per year treating patients*.

Table 17

Time Spent by Solo Dentists in Private Practice, Percentage Distribution by Hours Per Week and Hours Per Year, 1984

| Hours Per Week | Percent | n |
|---|---|---|
| Less than 20 | 1.1% | 42 |
| 20-29 | 5.0 | 199 |
| 30-39 | 29.5 | 1,159 |
| 40-49 | 46.3 | 1,822 |
| 50 or more | 18.1 | 714 |
| | 100.0 | 3,936 |
| **Hours Per Year** | | |
| Less than 1,000 | 2.5% | 98 |
| 1,000-1,199 | 1.9 | 71 |
| 1,200-1,399 | 4.1 | 161 |
| 1,400-1,599 | 7.6 | 294 |
| 1,600-1,799 | 12.8 | 506 |
| 1,800-1,999 | 19.5 | 769 |
| 2,000-2,199 | 18.3 | 718 |
| 2,200-2,399 | 14.1 | 553 |
| 2,400 or more | 19.2 | 753 |
| | 100.0 | 3,923 |

Source: American Dental Association, 1985 Survey of Dental Practice.

*Annual hours per year was determined by multiplying weeks worked per year in the primary practice time hours worked per week. A dentist working 50 weeks per year at the rate of 40 hours per week spends 2,000 hours per year in the practice.

Table 17 contains the percentage distribution of solo practitioners by: (1) average hours per week in the private practice and, (2) average hours per year in the private practice.

About 6% of solo dentists spent (in 1984) less than 30 hours per week in the practice, while 94% spent 30 or more hours per week in their primary practice. About 64% of private practitioners spent 40 or more hours per week in the practice. Annually, about 16% of the solo practitioners worked less than 1,600 hours per year, while 84% worked 1,600 or more hours per year.

Table 18 contains average net income of solo dentists in private practice by the amount of time worked per week in the practice.

Table 18

Mean Net Income of Solo Dentists by Hours Per Week, Hours Per Year, and Source of Dental Income, 1984

| Hours Per Week | All Solo Dentists | General Practitioners | Specialists |
|---|---|---|---|
| Less than 32 hours: | | | |
| Primary Practice | $41,460 | $39,060 | $53,600 |
| Private Practice | 43,370 | 40,270 | 59,710 |
| Total from Dentistry | 45,180 | 41,580 | 64,120 |
| 32 hours or more: | | | |
| Primary Practice | 64,380 | 59,580 | 94,060 |
| Private Practice | 64,560 | 59,850 | 94,580 |
| Total from Dentistry | 65,300 | 60,510 | 95,880 |
| Hours Per Year | | | |
| Less than 1,600 hours: | | | |
| Primary Practice | $47,000 | $42,520 | $67,760 |
| Private Practice | 47,940 | 43,270 | 70,630 |
| Total from Dentistry | 49,410 | 44,390 | 73,820 |
| 1,600 hours or more: | | | |
| Primary Practice | 65,010 | 60,360 | 94,960 |
| Private Practice | 65,220 | 60,630 | 95,580 |
| Total from Dentistry | 65,950 | 61,270 | 96,860 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Incomes from private practice were lower among solo dentists working fewer hours in the practice. This was the case for both hours per week and hours per year. It is still the case, however, that solo dentists working in a primary private practice earn most of their annual net income from the primary practice. Table 19 contains the average number of hours worked and the average age of the solo dentists for the groups reported in Table 18.

Table 19

Mean Hours Worked and Mean Age
of Solo Dentists in Private Practice, 1984

| Hours Per Week | All Solo Dentists | General Practitioners | Specialists |
|---|---|---|---|
| Less than 32 hours: | | | |
| Mean age | 57.0 | 57.6 | 53.6 |
| Mean hours/week | 26.1 | 26.0 | 26.3 |
| 32 hours or more: | | | |
| Mean age | 45.8 | 45.8 | 45.8 |
| Mean hours/week | 43.9 | 43.9 | 44.0 |
| Hours Per Year | | | |
| Less than 1,600 hours: | | | |
| Mean age | 54.9 | 55.5 | 52.0 |
| Mean hours/week | 29.6 | 29.5 | 30.1 |
| 1,600 hours or more: | | | |
| Mean age | 45.4 | 45.4 | 45.4 |
| Mean hours/week | 44.6 | 44.6 | 44.9 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Solo dentists who worked less than 32 hours per week or who worked less than 1,600 per year were, on average, older than other solo dentists. The average age of solo dentists is 46.9 years, compared to 57 years for solo dentists working less than 32 hours per week, and 54.9 years for solo dentists working less than 1,600 hours per year. The decision of older dentists to scale down the amount of time spent in the practice (in anticipation of total or semi-retirement) may be reflected by the fewer hours they work per week and per year. These data seem to also suggest that the amount of time that dentists spend in the practice partially reflects a natural work-life cycle.

Solo dentists have two ownership options. They may practice as: an unincorporated sole proprietor (i.e., the only owner of the practice), or a shareholder in an incorporated practice.

Table 20 contains information about the current practice status of solo dentists in 1984. In addition, data is provided concerning practice status when the dentists first began in their "current" primary practice.

Table 20

Percentage Distribution of Solo Dentists by Current Employment Status and Initial Employment Status in Current Primary Practice, 1984

| Current Employment Status | Percent | n |
|---|---|---|
| Sole proprietor | 72.8% | 2,899 |
| Shareholder | 27.2 | 1,082 |
| | 100.0 | 3,981 |
| **Initial Employment Status in Current Practice** | | |
| Sole proprietor | 85.8% | 3,403 |
| Partner | 2.6 | 105 |
| Shareholder | 4.0 | 158 |
| Employed (unincorporated) | 2.2 | 85 |
| Nonshareholder (incorporated) | 4.3 | 169 |
| Independent contractor | 1.1 | 45 |
| | 100.0 | 3,965 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Most of the dentists currently in solo private practice are practicing in sole proprietorships (72.8%). The additional 27.2% are solo shareholders in an incorporated practice.

In addition to the current practice (employment) status of solo practitioners, data are provided in Table 20 about the employment status of dentists when they first began in their current solo practice. More than 4 out of 5 practitioners (85.8%) started in their current practice as a sole proprietor. The remaining 14.2% started as partners (2.6%), shareholders in an incorporated practice (4.0%), employed dentists in an unincorporated practice (2.2%), nonshareholders in an incorporated practice (4.3%), and on an independent contractor basis (1.1%).

Table 21 contains data on the current status of practitioners according to their initial status in the practice.

Table 21

Current Employment Status of Independent Dentists by Initial Employment Status in the Current Practice, 1984

| Initial Employment Status in Current Practice | Current Employment Status: Sole Proprietor | Current Employment Status: Shareholder | Total |
|---|---|---|---|
| Sole proprietor | 76.4% | 23.6% | 100.0% |
| Partner | 73.4 | 26.6 | 100.0 |
| Shareholder | 6.1 | 93.9 | 100.0 |
| Employed (unincorporated) | 58.8 | 41.2 | 100.0 |
| Nonshareholder(incorporated) | 70.1 | 29.9 | 100.0 |
| Independent contractor | 72.0 | 28.0 | 100.0 |

Source: American Dental Association, 1985 Survey of Dental Practice.

As indicated in Table 20, about 85.8% of the current solo dentists in private practice began in their current practice as a sole proprietor. Of these dentists, 76.4% continue to practice as sole proprietors, while 23.6% are now practicing in a solo incorporated practice.

The current employment status of the solo dentists in private practice by age of the dentists is shown in Table 22.

Table 22

Percentage Distribution of Solo Dentists by Current Employment Status and Age of the Dentist, 1984

| Age (years) | Current Employment Status: Sole Proprietor | Shareholder | Total |
|---|---|---|---|
| Less than 30 | 4.1% | 0.8% | --- |
| 30-34 | 15.5 | 11.3 | --- |
| 35-39 | 16.1 | 18.8 | --- |
| 40-44 | 12.0 | 20.7 | --- |
| 45-49 | 8.4 | 17.1 | --- |
| 50-54 | 11.4 | 13.2 | --- |
| 55-59 | 10.3 | 7.9 | --- |
| 60 or older | 22.3 | 10.3 | --- |
| Total | 100.0 | 100.0 | --- |
| | | | |
| Less than 30 | 93.1% | 6.9% | 100.0% |
| 30-34 | 78.4 | 21.6 | 100.0 |
| 35-39 | 69.5 | 30.5 | 100.0 |
| 40-44 | 60.8 | 39.2 | 100.0 |
| 45-49 | 56.6 | 43.4 | 100.0 |
| 50-54 | 69.8 | 30.2 | 100.0 |
| 55-59 | 77.7 | 22.3 | 100.0 |
| 60 or older | 85.3 | 14.7 | 100.0 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Most dentists currently in solo practice are also sole proprietors (Table 20). Among all sole proprietors, about 16.7% are less than 35 years of age, and 18.4% are 60 years of age or older (Table 22, top half). The percent of solo dentists who are sole proprietors tends to decline after the age of 35, to a low of 8.4% in the age group 45-49. The percent of sole proprietor dentists then begins to rise, reaching the highest percent (22.3%) among dentists 60 years of age or older. The age distribution of solo shareholders reflects a pattern opposite than that for sole proprietors. The percent of dentists who are solo shareholders increases to a high of about 20.7% among dentists aged 40-44 and then declines throughout the remaining age profiles.

Table 23 contains the mean net income of solo dentists practicing as sole proprietors and shareholders in an incorporated dental practice.

Table 23

Mean Net Income of Solo Dentists by Employment Status in the Primary Practice and by Source of Dental Income, 1984

| Source of Net Income | Sole Proprietor | | Shareholder | |
|---|---|---|---|---|
| | Mean | n | Mean | n |
| | | All Solo Dentists | | |
| Primary Practice | $ 54,860 | 2,414 | $ 82,450 | 990 |
| Private Practice | 55,330 | 2,397 | 82,770 | 972 |
| Total from Dentistry | 56,200 | 2,397 | 83,520 | 972 |
| Mean Dentist Age | 47.5 | 2,780 | 45.4 | 1,145 |
| | | General Practitioners | | |
| Primary Practice | $ 52,740 | 2,052 | $ 74,510 | 630 |
| Private Practice | 53,170 | 2,046 | 74,690 | 625 |
| Total from Dentistry | 53,960 | 2,046 | 75,130 | 625 |
| Mean Dentist Age | 47.5 | 2,359 | 45.1 | 727 |
| | | Specialists | | |
| Primary Practice | $ 74,420 | 362 | $105,050 | 360 |
| Private Practice | 75,860 | 351 | 106,460 | 347 |
| Total from Dentistry | 77,480 | 351 | 108,100 | 347 |
| Mean Dentist Age | 47.4 | 421 | 46.0 | 418 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Regardless of employment status of the solo dentists, most of the dental net income is earned from a primary private dental practice. There is, however, variation in income among dentists in different employment arrangements. Most solo dentists work in sole proprietorships and, on average, earn net incomes lower than dentists in other practice arrangements. Among solo dentists working as solo shareholders in an incorporated practice, the mean net income from the primary practice was $82,450, representing about 50% more than the corresponding net income earned by sole proprietors ($54,860). Among solo general practitioners this difference amounts to about 41%, and among solo specialists the difference in net income between sole proprietors and solo shareholders is 41%.

The mean net income earned by solo dentists in private practice by geographic region of the U.S. is shown in Table 24.

Table 24

Mean Net Income and Mean Age of Solo Dentists,
by U.S. Region and Source of Dental Income, 1984

| Region | Primary Practice | Private Practice | Total from Dentistry | n | Mean Age |
|---|---|---|---|---|---|
| | | | All Solo Dentists | | |
| New England | $ 61,090 | $ 61,160 | $ 61,990 | 210 | 48.4 |
| Middle Atlantic | 61,300 | 61,790 | 62,460 | 577 | 49.9 |
| East North Central | 59,870 | 60,630 | 62,050 | 609 | 47.6 |
| West North Central | 60,300 | 59,610 | 60,170 | 267 | 45.3 |
| South Atlantic | 66,100 | 66,560 | 66,960 | 488 | 45.8 |
| East South Central | 62,550 | 62,790 | 63,470 | 180 | 45.7 |
| West South Central | 63,850 | 63,970 | 64,920 | 296 | 44.8 |
| Mountain | 62,320 | 62,600 | 63,330 | 207 | 44.2 |
| Pacific | 64,100 | 64,760 | 65,470 | 554 | 46.5 |
| | | | General Practitioners | | |
| New England | $ 56,510 | $ 56,660 | $ 57,110 | 161 | 48.9 |
| Middle Atlantic | 56,750 | 57,130 | 57,770 | 452 | 50.1 |
| East North Central | 55,800 | 56,340 | 57,580 | 509 | 47.7 |
| West North Central | 55,390 | 55,490 | 56,000 | 229 | 45.1 |
| South Atlantic | 61,900 | 62,550 | 62,790 | 370 | 46.0 |
| East South Central | 59,130 | 59,390 | 59,990 | 135 | 46.3 |
| West South Central | 57,320 | 57,120 | 57,810 | 229 | 44.5 |
| Mountain | 53,250 | 53,470 | 54,130 | 152 | 44.0 |
| Pacific | 61,560 | 62,000 | 62,600 | 431 | 46.2 |
| | | | Specialists | | |
| New England | $ 85,580 | $ 86,810 | $ 89,820 | 49 | 46.9 |
| Middle Atlantic | 88,080 | 90,370 | 91,190 | 125 | 48.8 |
| East North Central | 93,560 | 96,370 | 99,290 | 100 | 46.5 |
| West North Central | 108,460 | 103,350 | 104,550 | 38 | 46.8 |
| South Atlantic | 87,480 | 88,060 | 89,290 | 118 | 45.3 |
| East South Central | 79,240 | 79,240 | 80,320 | 45 | 42.9 |
| West South Central | 100,170 | 102,870 | 105,290 | 67 | 46.0 |
| Mountain | 103,070 | 105,170 | 106,240 | 55 | 45.3 |
| Pacific | 78,530 | 80,540 | 81,930 | 123 | 48.3 |

Source: American Dental Association, 1985 Survey of Dental Practice.

The mean net income from primary practice for all solo dentists was shown to be about $62,370 (Table 13). The mean net income was lower than the national average in five of the nine regions, including New England ($61,090), Middle Atlantic ($61,300), East North Central ($59,870), West North Central ($60,300) and Mountain ($62,320). The remaining four regions had mean net incomes that exceeded the national average. Among solo general practitioners, six regions had mean net incomes lower than the national average for solo general practitioners, ($57,850). Solo specialists income was lower than the national average, $86,690, in three regions, New England ($85,580), East South Central ($79,240), and Pacific ($78,530).

In general, the source of solo dentist's net income is not affected by the region where the dentists practice. This is true, on average, for all solo dentists, who earned between 96 and 99% of net income from a primary practice (Table 13).

D. Income of Nonowner Associate Dentists

The 1984 net income of nonowner dentists is reported in Table 25. The mean and median incomes for all nonowner dentists and nonowner general practitioners are shown separately. The median net income for all nonowner dentists in the primary practice was $35,000 and the mean net income was $38,690. The mean, which exceeded the median by $3,690 represented 95% of the average income from all dental sources.

Table 25

Net Income of Nonowner Dentists
by Source of Dental Income, 1984

All Nonowner Dentists

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $35,000 | $38,690 | 162 | $20,720 |
| Private Practice | 35,000 | 39,720 | 159 | 20,480 |
| Total from Dentistry | 35,700 | 40,600 | 159 | 20,290 |

General Practitioners

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $33,000 | $38,080 | 146 | $20,280 |
| Private Practice | 35,000 | 39,140 | 143 | 20,250 |
| Total from Dentistry | 35,000 | 40,000 | 143 | 19,770 |

Source: American Dental Association, 1985 Survey of Dental Practice.

The lower half of Table 25 presents the mean and median net income figures for employed general practitioners. The mean primary practice income of $38,080 exceeds the median, $33,000, by $5,080. For nonowner general practitioners, the primary practice net income represents 95% of the average net income from all dental sources.

Table 26 presents mean net income by age group. Most nonowner dentists (71%) are under the age of 35, while 7.6% are over the age of 55. Little difference exists between the age groups in terms of the percentage income derived from the primary practice.

Table 26

Mean Net Income of Nonowner Dentists by Age and by Source of Dental Income, 1984

| Age (years) | Source of Net Income: Primary Practice | | Private Practice | | Total from Dentistry | |
|---|---|---|---|---|---|---|
| | Mean | n | Mean | n | Mean | n |
| Less than 30 | $ 32,840 | 71 | $ 34,380 | 69 | $ 35,940 | 69 |
| 30-34 | 41,640 | 65 | 42,690 | 65 | 43,140 | 65 |
| 35 or older* | 51,430 | 21 | 50,660 | 20 | 50,730 | 20 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Table 27 contains the percentage distribution of the average hours spent in the practice per week and per year for nonowner dentists. About 59% of all employed dentists spend more than 40 hours per week in the practice, while 50% spend more than 2,000 hours per year.

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*The remaining age categories were combined into "35 and older" because any one category contained too few respondents for reliable statistical analysis.

Table 27

Time Spent by Nonowner Dentists in Private Practice, Percentage Distribution by Hours Per Week and Hours Per Year, 1984

| Hours Per Week | Percent | n |
|---|---|---|
| Less than 30 | 9.5% | 18 |
| 30-39 | 31.8 | 60 |
| 40 or more | 58.7 | 111 |
| | 100.0 | 189 |
| **Hours Per Year** | | |
| Less than 1,800 | 36.2% | 68 |
| 1,800-1,999 | 14.3 | 27 |
| 2,000-2,199 | 16.5 | 31 |
| 2,200-2,399 | 16.0 | 30 |
| 2,400 or more | 17.0 | 32 |
| | 100.0 | 188 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Net income of employed dentists by employment status is presented in Table 28. The percentage of total income derived from the primary practice is slightly lower for those employed dentists working in an unincorporated practice (93.1% vs. 96.3%). Primary practice earnings are 23% higher for employed dentists practicing in an incorporated practice. The mean primary practice net income for nonowner dentists in an incorporated practice is $41,350, while unincorporated primary practice earnings are $33,570.

In 1984, nonowner dentists spent, on average, 40.7 hours per week in the primary practice and 31.7 hours of which were spent treating patients. Annually, nonowner dentists spent 1,942 hours in the practice and 1,519 hours treating patients.* Approximately, 78% of time spent in the practice was spent treating patients.

*Annual hours per year was determined by multiplying weeks worked per year in the primary practice times hours worked per week. A dentist working 50 weeks per year at the rate of 40 hours per week spends 2,000 hours per year in the practice.

Table 28

Mean Net Income of Nonowner Dentists by Employment Status in the Primary Practice and by Source of Dental Income, 1984

| Source of Net Income | All Nonowner Dentists | | | |
|---|---|---|---|---|
| | Employed by an Incorporated Practice | | Employed by an Unincorporated Practice | |
| | Mean | n | Mean | n |
| Primary Practice | $41,350 | 108 | $33,570 | 54 |
| Private Practice | 42,070 | 106 | 35,170 | 53 |
| Total from Dentistry | 42,960 | 106 | 36,060 | 53 |
| Mean Dentist Age | 34.5 | 125 | 33.5 | 59 |

Source: American Dental Association, 1985 Survey of Dental Practice.

E. Net Income of Independent Contractors

The 1984 net income of independent contractor dentists is reported in Table 29. The mean and median incomes for all independent contractor dentists and independent contractor general practitioners are shown separately. The median net income for all independent contractors from the primary practice was $38,000 and the mean net income was $40,480. The mean, which exceeded the median by $2,480 represented 94% of the average income from all dental sources.

The lower half of Table 29 presents the mean and median net income figures for independent contractor general practitioners. The mean primary practice income of $37,530 exceeds the median, $35,500, by $2,030. For independent contractors, the primary practice net income represents 95% of the average net income from all dental sources.

Table 29

Net Income of Independent Contractors
by Source of Dental Income, 1984

All Independent Contractors

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $38,000 | $40,480 | 107 | $27,500 |
| Private Practice | 38,500 | 42,620 | 102 | 27,860 |
| Total from Dentistry | 40,000 | 43,360 | 102 | 27,990 |

General Practitioners

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $35,500 | $37,530 | 92 | $20,460 |
| Private Practice | 36,000 | 39,980 | 89 | 21,060 |
| Total from Dentistry | 38,000 | 40,400 | 89 | 21,050 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Table 30 presents mean net income by age group. Over half (63%) of all independent contractors are under the age of 35, while 12% are over the age of 55. Little difference exists between the age groups in terms of the percentage income derived from the primary practice. The "less than 30" group earns 90.4% of income from the primary practice, while the "35 or older" group earns 98.4% of their total dental income from the primary practice.

Table 30

Mean Net Income of Independent Contractors by Age and by Source of Dental Income, 1984

| Age (years) | Source of Net Income: Primary Practice Mean | n | Private Practice Mean | n | Total from Dentistry Mean | n |
|---|---|---|---|---|---|---|
| Less than 30 | $ 30,530 | 34 | $ 33,240 | 33 | $ 33,570 | 33 |
| 30-34 | 44,670 | 51 | 47,590 | 48 | 48,480 | 48 |
| 35 or older* | 47,690 | 21 | 47,280 | 20 | 48,450 | 20 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Table 31 contains the percentage distribution of the average hours spent in the practice per week and per year for independent contractors dentists. About 54% of all employed dentists spend more than 40 hours per week in the practice, while 42% spend more than 2,000 hours per year.

*The remaining age categories were combined into "35 and older" because any one category contained too few respondents for reliable statistical analysis.

Table 31

Time Spent by Independent Contractors in Private Practice, Percentage Distribution by Hours Per Week and Hours Per Year, 1984

| Hours Per Week | Percent | n |
|---|---|---|
| Less than 30 | 25.0% | 30 |
| 30-39 | 20.8 | 25 |
| 40 or more | 54.2 | 65 |
| | 100.0 | 120 |
| **Hours Per Year** | | |
| Less than 1,800 | 50.0% | 60 |
| 1,800-1,999 | 8.3 | 10 |
| 2,000-2,199 | 14.2 | 17 |
| 2,200-2,399 | 13.3 | 16 |
| 2,400 or more | 14.2 | 17 |
| | 100.0 | 120 |

Source: American Dental Association, 1985 Survey of Dental Practice.

In 1984, independent contractors spent, on average, 38.6 hours per week in the primary practice and 30.1 hours of which were spent treating patients. Annually, independent contractor dentists spent 1,791 hours in the practice and 1,395 hours treating patients.* Approximately, 78% of time spent in the practice was spent treating patients.

*Annual hours per year was determined by multiplying weeks worked per year in the primary practice times hours worked per week. A dentist working 50 weeks per year at the rate of 40 hours per week spends 2,000 hours per year in the practice.

F. Gross Income of Independent Dentists

The gross income figures for independent dentists are reported as gross income per owner dentist. The gross income of each practice has been equally distributed among each owner dentist working in the practice. This is not the only possible way of allocating practice resources and it may not accurately represent all practices. The gross income per owner dentist is a rate constructed by dividing the practice gross income by the number of owner dentists in that practice.

The primary practice average gross income per independent owner dentist is presented in Table 32. The average for all independent dentists was $184,120. The average for general practitioners was $173,810, which was about 6% less than the average for all independent dentists. Specialists gross income averaged $240,900, exceeding the mean of all independent dentists by 39%. The mean, in all cases, exceeded the median values.

Table 32

Independent Dentist's Primary Practice Gross Income Per Owner Dentist, 1984

| | Mean | Median | S.D. | n |
|---|---|---|---|---|
| All Independent Dentists | $184,120 | $170,000 | $119,980 | 4,094 |
| General Practitioners | 173,810 | 155,000 | 115,450 | 3,161 |
| Specialists | 240,900 | 220,000 | 129,140 | 933 |

Source: American Dental Association, 1985 Survey of Dental Practice.

The average gross income per independent dentist by age is presented in Table 33. In both general practitioners and specialists, earnings reached a maximum between the ages 40-50 and then began to decline. Dentists 60 years of age and older and those less than 30 had the lowest gross incomes.

Table 33

Independent Dentist's Primary Practice Gross Income Per Owner Dentist by Age, 1984

| Age (years) | Mean | n |
|---|---|---|
| | All Independent Dentists | |
| Less than 30 | $122,820 | 134 |
| 30-34 | 174,850 | 632 |
| 35-39 | 198,410 | 752 |
| 40-44 | 219,840 | 662 |
| 45-49 | 223,030 | 471 |
| 50-54 | 200,650 | 447 |
| 55-59 | 169,520 | 369 |
| 60 or older | 125,000 | 582 |
| | General Practitioners | |
| Less than 30 | $121,960 | 132 |
| 30-34 | 170,060 | 561 |
| 35-39 | 188,200 | 571 |
| 40-44 | 207,330 | 452 |
| 45-49 | 207,180 | 317 |
| 50-54 | 191,380 | 334 |
| 55-59 | 160,820 | 272 |
| 60 or older | 121,450 | 481 |
| | Specialists | |
| Less than 35* | | |
| 35-39 | $250,780 | 181 |
| 40-44 | 263,640 | 210 |
| 45-49 | 276,080 | 154 |
| 50-54 | 245,230 | 113 |
| 55-59 | 209,180 | 97 |
| 60 and older | 152,480 | 101 |

Source: American Dental Association, 1985 Survey of Dental Practice.

*For specialists, the age group "less than 30" and "30-34" were combined into "less than 35" due to the small number of specialists who were less than 30 years old.

Primary practice gross income per dentist for independent dentists by geographic region is presented in Table 34. Four of the nine regions, New England, South Atlantic, West South Central, and the Pacific had an average gross income that exceeded the national average, $184,120, for all independent dentists.

Table 34

Independent Dentists Primary Practice Gross Income Per Owner Dentist by Region, 1984

| Region | Mean | n |
|---|---|---|
| | All Independent Dentists | |
| New England | $190,720 | 255 |
| Middle Atlantic | 169,040 | 701 |
| East North Central | 176,520 | 718 |
| West North Central | 170,820 | 348 |
| South Atlantic | 194,740 | 597 |
| East South Central | 165,110 | 212 |
| West South Central | 195,850 | 333 |
| Mountain | 172,370 | 238 |
| Pacific | 209,150 | 677 |
| | General Practitioners | |
| New England | $183,900 | 189 |
| Middle Atlantic | 158,700 | 528 |
| East North Central | 165,590 | 586 |
| West North Central | 156,620 | 286 |
| South Atlantic | 186,410 | 448 |
| East South Central | 153,590 | 160 |
| West South Central | 185,700 | 257 |
| Mountain | 156,710 | 176 |
| Pacific | 201,570 | 519 |
| | Specialists | |
| New England | $222,490 | 66 |
| Middle Atlantic | 220,390 | 173 |
| East North Central | 255,400 | 132 |
| West North Central | 277,340 | 62 |
| South Atlantic | 235,450 | 149 |
| East South Central | 222,720 | 52 |
| West South Central | 251,710 | 76 |
| Mountain | 244,680 | 62 |
| Pacific | 249,610 | 158 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Table 35 contains the average primary practice gross income per owner dentists for independent sole proprietors, partners, and shareholders in an incorporated practice. Independent dentists working in sole proprietorships earn less than do independent dentists in other practice arrangements. Shareholders gross income per owner dentists was almost 67% higher than that of dentists in sole proprietorships. Among general practitioners this difference amounts to 67%; among specialists there is a 38% difference in gross income per dentist between sole proprietors and shareholders.

Table 35

Independent Dentists Primary Practice Gross Income Per Owner Dentist by Employment Status, 1984

| | Mean | n |
|---|---|---|
| **All Independent Dentists** | | |
| Sole Proprietor | $149,920 | 2,420 |
| Partner | 169,780 | 241 |
| Shareholder | 249,910 | 1,433 |
| **General Practitioners** | | |
| Sole Proprietor | $144,780 | 2,057 |
| Partner | 159,960 | 189 |
| Shareholder | 241,950 | 915 |
| **Specialists** | | |
| Sole Proprietor | $197,290 | 363 |
| Partner | 227,830 | 52 |
| Shareholder | 272,770 | 518 |

Source: American Dental Association, 1985 Survey of Dental Practice.

G. Gross Income of Solo Dentists

The solo dentist practice is the most typical size of private practice. About 72% of the nation's private practitioners were working in a practice with no other dentist in 1984.

Statistics on solo dentist's gross income are presented in Table 36. The average practice gross income for the solo dentist is $170,160. The solo general practitioner averaged $160,770 which is about 6% less than the average for all solo dentists. Specialists in solo practice had a mean of $227,310 which exceeded the mean for all solo dentists by about 34%. The mean in all instances exceeded the median.

Table 36

Solo Dentist's Primary Practice
Gross Income, 1984

| | Mean | Median | S.D. | n |
|---|---|---|---|---|
| All Solo Dentists | $170,160 | $160,000 | $ 94,870 | 3,121 |
| Solo General Practitioners | 160,770 | 149,000 | 87,500 | 2,463 |
| Solo Specialists | 227,310 | 205,500 | 114,310 | 658 |

Source: American Dental Association, 1985 Survey of Dental Practice.

The average practice gross income for solo dentists by age is reported in Table 37. The solo dentists who are 60 years of age and older reported the lowest gross income. Gross income increases until the ages of 40-44 when it reaches its maximum. Gross income begins to decline afterwards with the age 60 and older group reporting the lowest gross income. This relationship is the same for solo general practitioners as well as solo specialists.

Table 37

Solo Dentist's Primary Practice Gross Income by Age, 1984

| Age (years) | Mean | n |
|---|---|---|
| Less than 30 | $125,320 | 106 |
| 30-34 | 163,270 | 468 |
| 35-39 | 185,390 | 558 |
| 40-44 | 204,860 | 502 |
| 45-49 | 203,920 | 362 |
| 50-54 | 181,780 | 346 |
| 55-59 | 157,580 | 289 |
| 60 or older | 111,580 | 466 |
| | General Practitioners | |
| Less than 30 | $124,260 | 104 |
| 30-34 | 157,100 | 418 |
| 35-39 | 177,070 | 431 |
| 40-44 | 192,480 | 356 |
| 45-49 | 189,940 | 232 |
| 50-54 | 174,040 | 263 |
| 55-59 | 150,250 | 222 |
| 60 or older | 107,980 | 394 |
| | Specialists | |
| Less than 35* | $245,980 | 52 |
| 35-39 | 231,290 | 127 |
| 40-44 | 253,930 | 146 |
| 45-49 | 256,000 | 110 |
| 50-54 | 221,640 | 83 |
| 55-59 | 197,050 | 67 |
| 60 and older | 143,600 | 72 |

Source: American Dental Association, 1985 Survey of Dental Practice.

*For specialists, the age group "less than 30" and "30-34" were combined into "less than 35" due to the small number of specialists who were less than 30 years old.

Primary practice gross income by geographic region is reported in Table 38. Solo dentists in four regions had a primary practice higher than the national average of $170,160. These were the South Atlantic, West South Central, Mountain, and Pacific. Solo general practitioners in three regions reported a practice gross income higher than the national average of $160,770, while solo specialists reported practice gross incomes exceeding the mean of $227,310, in five regions.

Table 38

Solo Dentist's Primary Practice Gross Income by Region, 1984

| Region | Mean | n |
|---|---|---|
| | All Solo Dentists | |
| New England | $159,900 | 184 |
| Middle Atlantic | 151,990 | 504 |
| East North Central | 161,750 | 551 |
| West North Central | 154,310 | 252 |
| South Atlantic | 180,600 | 453 |
| East South Central | 161,230 | 160 |
| West South Central | 181,250 | 275 |
| Mountain | 171,760 | 198 |
| Pacific | 196,370 | 534 |
| | General Practitioners | |
| New England | $149,710 | 140 |
| Middle Atlantic | 141,830 | 394 |
| East North Central | 152,390 | 460 |
| West North Central | 143,900 | 215 |
| South Atlantic | 170,980 | 346 |
| East South Central | 152,050 | 120 |
| West South Central | 171,300 | 216 |
| Mountain | 155,480 | 147 |
| Pacific | 192,260 | 416 |
| | Specialists | |
| New England | $212,640 | 44 |
| Middle Atlantic | 211,180 | 110 |
| East North Central | 238,680 | 91 |
| West North Central | 252,740 | 37 |
| South Atlantic | 231,200 | 107 |
| East South Central | 205,980 | 40 |
| West South Central | 240,450 | 59 |
| Mountain | 248,070 | 51 |
| Pacific | 219,920 | 118 |

Source: American Dental Association, 1985 Survey of Dental Practice.

Although most solo dentists are sole proprietors, the solo dentists who are sole shareholders in an incorporated practice earn, on average, a 66% higher practice gross income. The average gross incomes by type of practice are presented in Table 39.

Table 39

Solo Dentists Primary Practice Gross Income
by Employment Status, 1984

| | Mean | n |
|---|---|---|
| **All Solo Dentists** | | |
| Sole Proprietor | $143,320 | 2,183 |
| Shareholder | 238,460 | 938 |
| **General Practitioners** | | |
| Sole Proprietor | $139,040 | 1,860 |
| Shareholder | 227,800 | 603 |
| **Specialists** | | |
| Sole Proprietor | $183,400 | 323 |
| Shareholder | 269,650 | 335 |

Source: American Dental Association, 1985 Survey of Dental Practice.

The general practitioner who is a sole shareholder reported a practice gross income 64% higher than the general practitioner who is sole proprietor. This same relationship is true of the solo specialists. The solo shareholder's practice gross income is 47% higher than the solo specialist who is a sole proprietor.

## III. SUMMARY OF SELECTED RESULTS

The level and growth of dental incomes are indicators of the economic health of practicing dentists and are influential in decision-making by individuals contemplating future entry into the dental profession. This report contains an examination of the level of income from the private practice of dentistry in the United States. The findings are based on the results of the American Dental Association's 1985 Survey of Dental Practice. Selected summary findings contained in this report are presented below.

### A. General Characteristics of Dentists in Private Practice in the United States

- Most of the nation's dentists who work in private practice do so as a primary dental occupation (96.7%).

- Most (94.4%) private practitioners are owners or share in the ownership of the practice where they work. Only about 3.4% of private dentists work as associate (nonowner) dentists in a private practice as a primary occupation, and 2.2% work as independent contractors. Of the nonowner associate dentists, 89% are general practitioners, while 87% of the independent contractors are GPs.

- Being a solo practitioner (i.e., the only dentist in the private practice) is the choice of 72.3% of the nation's private practitioners. About 17.5% work with one other dentist in the practice, and 10.2% work with more than one other dentist.

- Most private practicing dentists work, on average, more than 32 hours per week (90%) and more than 1,600 hours per year (83%).

- Approximately 21.5% of all private practitioners are under the age of 35; 53.1% are under the age of 45; and about 6.8% are 65 years of age or older.

- Approximately 68.5% of the nation's private practicing dentists graduated from dental school since 1960.

### B. Income from the Private Practice of Dentistry

- The majority of income earned by independent private practitioners comes from treating patients in a primary dental practice (97.7%).

- Among the nation's solo practitioners, the mean net income from the primary practice was $62,370; solo general practitioners averaged $57,850 and solo specialists averaged $86,690.

- Mean net income is the lowest for the least experienced independent private practitioners (i.e., the youngest) and reaches a maximum among dentists 45-49 years of age.

- The age earnings profile of independent specialists differs from that of independent GPs in the following ways: (1) the mean net income is greater ($94,050), (2) the mean age is higher; most specialists are not practicing before the age of 30.

- Independent private practitioners spend, on average, about 42.2 hours per week in the practice and 32.5 hours per week treating patients. They also spend an average of 2,022 hours per year in the office, 1,549 hours per year treating patients. About 77% of the time spent in the practice is spent treating patients.

- The average age of an independent dentist is 46.4 years; the median age is 44 years. Dentists who work less than 32 hours per week in the office are, on average, older dentists (55.2 years), as are the dentists working less than 1,600 hours per year (53.7 years).

- The mean primary practice gross income for solo practitioners was $170,160. Solo general practitioners averaged $160,770 while solo specialists averaged $227,310.

DEFINITIONS

Definitions of several terms and phrases are provided in this section to assist with the interpretation of data contained in the tables. The dentists included in this report were working private practice as a primary occupation. In addition, all dentists had started in their current (i.e., 1985) practice prior to 1984.

1. INDEPENDENT DENTISTS: All dentists who own or share in the ownership of a dental practice. This ownership status includes sole proprietorship, partnership and a shareholder in an incorporated practice.

2. SOLO DENTISTS: A solo dentist is the sole owner of the practice and is the only dentist working in the practice. The ownership status may be either a sole proprietorship or the sole shareholder in an incorporated practice. Solo dentists are a subset of independent dentists.

3. SOLE PROPRIETOR: A dentist who is a sole proprietor may or may not work with other dentists in the same practice. A sole proprietor of a practice that works with no other dentists is a solo dentist. A sole proprietor may, however, employ other dentists and is, thus, not a solo dentist. A single owner of a dental practice that is incorporated is included under incorporated. A solo dentist may also be an incorporated dentist as a sole shareholder.

4. NONOWNER ASSOCIATE DENTISTS: A nonowner dentist may be employed in an incorporated dental practice on a salary, commission, percentage, or associate basis, but not as a shareholder or in an unincorporated dental practice on a salary, commission, percentage, or associate basis. A nonowner dentist may also be an independent contractor.

5. MEAN: The simple average of values reported by the dentists responding to the survey. The mean is calculated by summing the values reported and then dividing the sum by the number of dentists responding to any given question.

6. WEIGHTING: Since specialists comprise a smaller percent of the dental population, it was necessary to oversample them to insure adequate numbers for statistical analysis. The proportion of specialists in the sample is higher than the actual proportion of specialists in the total population of dentists. Please note that individual specialists were not oversampled and, therefore, only statistics on specialists as a group are presented. Statistics computed for All Dentists was weighted to reflect national proportions.

7. REGIONS: The following is a breakdown of the states contained within each region.

New England: CT, ME, NH, RI, VT, MA
Middle Atlantic: NJ, NY, PA
East North Central: IL, IN, MI, OH, WI
West North Central: IA, KS, MN, MO, ND, NE, SD
South Atlantic: DE, MD, DC, FL, GA, NC, SC, VA, WV
East South Central: AL, KY, MS, TN
West South Central: AR, LA, OK, TX
Mountain: AZ, CO, ID, MT, NV, NM, UT, WY
Pacific: AK, CA, HI, OR, WA

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The Bureau of Economic and Behavioral Research

1986

# The 1986 Survey of Dental Practice

## Income from the Private Practice of Dentistry

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# INCOME FROM THE PRIVATE PRACTICE OF DENTISTRY, 1985

## I. INTRODUCTION

The 1986 Survey of Dental Practice (SDP) is a version of the series of surveys that has been conducted every two or three years since the 1950's, annually since 1982, by the American Dental Association's Bureau of Economic and Behavioral Research. The purpose of the survey is to provide reliable information on characteristics of the private practice of dentistry in the United States.

The 1986 SDP consisted of detailed questions dealing with expenses of operating a private practice, net and gross income from the private practice of dentistry, the number of patient visits to the dentist, hours and weeks worked in the private practice, occupational status and employment status, practice personnel mix, auxiliary employment and wages, and other selected characteristics.

Dental fees, costs of operating a dental practice, the amount and mix of dental services rendered, and conditions in the market (for dental services) are all intricately related to the determination of income from the private practice of dentistry. The level and growth of dental incomes are indicators of the economic health of dental practice and are influential factors for those individuals contemplating entry into the dental profession. In 1985 the nation spent about 27.1 billion dollars for dental services, representing about 6.4% of the total amount spent by the nation for all health services.[1] Since these expenditures were for dental services, they also represent income (gross) earned by private practicing dentists.

This report contains an examination of dentists' net and gross income from the private practice of dentistry. Net income of dental practice is defined as the difference between the gross income of the practice (i.e., gross expenditures made to the practice) and the expenses of operating the practice. That is, gross income represents the total of all fees and other payments derived from rendering services in a private dental practice. Net income is what remains after practice expenses have been deducted from gross income but before the payment of income taxes.

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[1]Source: Health Care Financing Administration, Department of Health and Human Services, 1986.

## A. Survey Methodology

The 1986 Survey of Dental Practice (SDP) was a condensed version of the long-form 1985 SDP. This short-form of the survey was sent to 4% of the dentists who were known to be actively engaged in the private practice of dentistry.

### Sampling

The population consisted of 129,039 dentists who, based on the 1982 Distribution of Dentists, were known to be in private practice, even if only part-time.

The Distribution of Dentists is a dental census that is conducted periodically by the American Dental Association. Although the 1982 distribution is the most recent complete census, the sampling frame is updated periodically by adding information about recent graduates, retirement and deaths when available. Dentists with an unknown practice type were included in the sampling frame.

The sample was ordered by type of practice - general practitioner or specialist. Within each type, the sample was sorted by dental school and graduation year. A random sample from each type of practice was selected. Since specialists comprise a small percentage of the dental population it was necessary to oversample (i.e., the proportion of specialists sampled is higher than the actual percentage of specialists in the total population) to ensure adequate numbers for statistical analysis. It should be noted that the sample was drawn in such a way as to be able to make statements about general practitioners and specialists as a whole. We may not have, for any given specialty, enough dentists responding to make reliable statements about that individual specialty.

### Data Collection

The 1986 SDP was initially mailed in April 1986. Two follow-up mailings to non-respondents occurred in May and June 1986. Coding, hand-editing, and computer processing were completed by October, 1986. The final response rate was computed after the individuals who were either retired, disabled, deceased, not in private practice, or had unknown addresses were eliminated from the sample. The adjusted sample size was used to calculate the final response rate of 50.4%.

### Weighting the Sample

Since the proportion of specialists in the sample is higher than the actual percentage in the dental population, it is necessary to

account for this imbalance when making statements about the total dental population. The correction is accomplished by developing and applying a weighting factor to each sampled dentist.

Weights were calculated for general practitioners and specialists separately, by dividing the percentage of each in the population by the percentage in the sample. The assumed proportion of general practitioners in the population is 85%, specialists, 15%. The percentage of general practitioners in the sample is 74.5%, specialists, 25.5%.

The weights were computed as follows:

| | |
|---|---|
| General Practitioner | .85/.745 = 1.140939 |
| Specialist | .15/.255 = 0.588235 |

These weights were employed in the calculations of means and medians where general practitioners and specialists were combined - where statements were made about "all" solo or independent dentists.

B. General Characteristics of the Private Practice of Dentistry in the United States, 1985

Of all the nation's dentists who work in the private practice of dentistry, 97.3% do so as a primary occupation. Most (90.9%) work only in a primary practice, 6.4% work in both a primary and secondary practice, while 2.8% work in private practice as a secondary occupation only. Of these dentists working only in private practice as a secondary occupation, 61.0% work primarily as dental school faculty, hospital staff, or are pursuing postgraduate education. A primary occupation unrelated to dentistry was reported by 7.8%, while 7.9% are employed by federal or local government.

More than half (51.9%) of the nations' private practitioners are under the age of 45, 18.6% are under the age of 35, and about 8.2% are 65 years of age or older. Roughly 69.1% of the private practitioners graduated from dental school since 1960, and about 28.1% have graduated since 1975. Dentists in private practice are distributed relatively equally among the four major U.S. census divisions. About 23% are located in the northeast, 28% in the south, 27% in the northcentral, and 22% in the west.

Most dentists (90%) practice dentistry on a full-time basis (32 or more hours per week). About 64% of the private practitioners reported having worked more than 40 hours per week. On an annual basis, 85.4% of the private practitioners worked more than 1,600 hours, while 52% worked more than 2,000 hours.

The majority of dentists (93.2%) are owners of their practices. Of these, 54.3% are sole proprietors, 31.2% are shareholders in an incorporated dental practice, and 7.7% are partners. About 6.9% of private practitioners are nonowners - 4.2% employed as an associate on a salary, commission, or percentage basis and 2.7% as independent contractors.

The solo dental practice is the most typical size of private practice. About 67.2% of the nations' private practitioners are working in a practice with no other dentist, while 19.1% are working with one other dentist, and 13.7% with two or more dentists.

## II. INCOME FROM THE PRIVATE PRACTICE OF DENTISTRY

### A. General

The net income data presented in this report are based on results of the 1985 Survey of Dental Practice and are restricted to those dentists who report that they are in private practice as a primary occupation. Dentists were asked to report their net income earned from private practice and any income earned from other sources in dentistry (e.g., teaching, consulting, hospitals, and other sources). Independent dentists (i.e., sole proprietors, partners, and shareholders) reported their net income before personal taxes, while nonowner dentists (i.e., employees, associates, and non-shareholders) reported gross salaries, wages, commissions and percentages from private practice. The reader is cautioned, however, that a transition from what a dentist reports as net income to the gross income of a dental practice cannot be easily made. In the case of a solo dentist (i.e., working with no other dentist in the same practice), the reported net income is the same as the net income of the practice. In the case of an independent dentist working in a nonsolo practice, the reported net income is not the same as the net income of the practice. Gross income of this latter dentist would require an arbitrary allocation of the gross income reported for the practice.

Three different estimates of net income from the private practice of dentistry are contained in this report: (1) net income from the primary practice alone; (2) net income from private practice; and, (3) total net income from all dental sources. Net income from the primary practice is that which the dentist reported as income (after practice expenses but before personal taxes) from a primary practice. Net income from private practice is the net income from the primary practice plus income earned from a secondary private practice. Total net income from all dental sources includes net income from primary practice, net income from secondary practice, and any other income derived from other dental sources, such as teaching in a dental school, consulting, or working as a hospital staff dentist.

### B. Income of Independent Dentists

Independent dentists, owners in full or part of a practice, comprise 93% of the nation's private practitioners who are in private practice as a primary occupation.

The net income of independent dentists in 1985 is reported in Table 1. The means were: primary practice-$69,980; private practice-$70,900; and total from dentistry-$72,090. In each case the mean exceeded the median. The difference between the average net income from primary practice and the average net income from all sources was $2,110.

Table 1

Net Income of Independent Dentists
by Source of Dental Income, 1985

| Source of Net Income | Median | Mean | n+ | S.D. |
|---|---|---|---|---|
| Primary Practice | $64,600 | $69,980 | 1,811 | $46,340 |
| Private Practice | 65,000 | 70,900 | 1,793 | 46,390 |
| Total from Dentistry | 65,000 | 72,090 | 1,791 | 47,130 |

Source: American Dental Association, 1986 Survey of Dental Practice.

+Throughout this report, "n" refers to the number of survey respondents.

A similar table of net income from independent private practice for general practitioners (GPs) and specialists is shown in Table 2*. The median income (from all sources) for GPs was $60,000 and $98,500 for specialists. The mean net income of both GPs and specialists exceeded the median values. The mean net income from primary

*This report does not contain statistics for individual specialties. Specialty groups were not sampled and, thus, the number of respondents in some specialty groups was too few for statistical analysis.

practice for GPs was $64,130, which was about 8.4% less than the average for all dentists shown in Table 1. Specialists in primary practice had a mean net income of $103,390, which exceeded the mean net income of all independent dentists by about 48%. Similar to all independent dentists, GPs net income from primary practice was about 97% of the average income from all dental sources. Specialists' net income from primary practice was only slightly less, representing 95% of the mean total income from dentistry. Both GPs and specialists derive their net income from a private practice that represents their primary dental occupation.

Table 2

Net Income of Independent General Practitioners and Independent Specialists by Source of Dental Income, 1985

General Practitioners

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $59,000 | $64,130 | 1,352 | $40,440 |
| Private Practice | 60,000 | 64,920 | 1,342 | 40,450 |
| Total from Dentistry | 60,000 | 65,810 | 1,341 | 41,000 |

Specialists

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $91,500 | $103,390 | 459 | $61,260 |
| Private Practice | 95,000 | 105,390 | 451 | 60,910 |
| Total from Dentistry | 98,500 | 108,390 | 450 | 61,460 |

Source: American Dental Association, 1986 Survey of Dental Practice.

An age-earnings profile is a means of examining the relationship between earnings and experience. Earnings of the least experienced dentists are the lowest, and as experience of practicing dentistry increases, so does dental related income. Earnings tend to reach a maximum between ages 40-50, and then decline as dentists approaching older age levels begin to consider full- or part-time retirement from private practice. Table 3 contains the mean income of independent dentists by age of the dentist.

Table 3

Mean Net Income of Independent Dentists by Age and Source of Dental Income, 1985

| Age (years) | Source of Net Income: Primary Practice | | Private Practice | | Total from Dentistry | |
|---|---|---|---|---|---|---|
| | Mean | n | Mean | n | Mean | n |
| Less than 30 | $40,190 | 32 | $40,230 | 32 | $40,760 | 32 |
| 30-34 | 53,400 | 239 | 54,680 | 238 | 55,370 | 238 |
| 35-39 | 65,010 | 331 | 67,090 | 328 | 68,810 | 328 |
| 40-44 | 81,270 | 300 | 81,480 | 295 | 82,360 | 295 |
| 45-49 | 86,190 | 210 | 87,370 | 207 | 88,470 | 207 |
| 50-54 | 88,790 | 209 | 89,640 | 209 | 91,730 | 207 |
| 55-59 | 76,460 | 192 | 76,800 | 189 | 77,980 | 189 |
| 60 or older | 55,580 | 298 | 56,020 | 295 | 57,050 | 295 |

Source: American Dental Association, 1986 Survey of Dental Practice.

For each source of net income, the lowest mean income occurs among dentists with the least experience (i.e., the two youngest age groups). The next lowest mean income occurs among dentists who are most experienced, 60 years of age and older. The average net income from primary practice for the youngest age group was $40,190, and the highest mean net income from primary practice occurred in the age group 50-54 years of age ($88,790). The most experienced dentists earned an average of $55,580. For all age groups, the percentage of income derived from the primary practice ranged from 95-99%.

Income of independent general practitioners and specialists by age group and source of dental income is presented in Table 4.

Table 4

Mean Net Income of Independent General Practitioners and Independent Specialists by Age and Source of Dental Income, 1985

| Age (years) | Source of Net Income: Primary Practice Mean | Primary Practice n | Private Practice Mean | Private Practice n | Total from Dentistry Mean | Total from Dentistry n |
|---|---|---|---|---|---|---|
| | | | General Practitioners | | | |
| Less than 30 | $ 40,190 | 32 | $ 40,230 | 32 | $ 40,760 | 32 |
| 30-34 | 52,210 | 221 | 53,580 | 221 | 54,260 | 221 |
| 35-39 | 59,330 | 255 | 61,010 | 253 | 62,290 | 253 |
| 40-44 | 74,100 | 201 | 74,380 | 199 | 75,220 | 199 |
| 45-49 | 78,270 | 141 | 79,100 | 139 | 80,390 | 139 |
| 50-54 | 80,410 | 133 | 80,980 | 133 | 82,450 | 132 |
| 55-59 | 73,770 | 141 | 73,910 | 140 | 74,620 | 140 |
| 60 or older | 51,390 | 228 | 51,750 | 225 | 52,110 | 225 |
| | | | Specialists* | | | |
| Less than 35 | - | - | - | - | - | - |
| 35-39 | $101,930 | 76 | $106,850 | 75 | $111,440 | 75 |
| 40-44 | 109,500 | 99 | 110,020 | 96 | 111,050 | 96 |
| 45-49 | 117,590 | 69 | 120,200 | 68 | 120,520 | 68 |
| 50-54 | 117,250 | 76 | 119,050 | 76 | 123,430 | 75 |
| 55-59 | 90,860 | 51 | 92,850 | 49 | 96,580 | 49 |
| 60 or older | 82,010 | 70 | 82,580 | 70 | 87,880 | 70 |

Source: American Dental Association, 1986 Survey of Dental Practice.

*For specialists, the age group "less than 30" and "30-34" were not reported due to the small number of specialists who were in these categories.

The age earning profile of independent specialists tends to differ from the independent GPs and all independents profiles in two respects: (1) an insignificant number of specialists are in private practice before the age of 30 years, due to the longer educational requirements; and (2) the mean net income of specialists over the maximum income years is less stable than for GPs in a similar age group.

The amount of time dentists spend in the practice of dentistry has been examined with regard to productivity (i.e., the amount of dentistry supplied to patients, the level of dental income and the amount of dentist time, and how dentists spend time providing various dental procedures). In 1985, independent dentists in private practice spent, on average, 42.6 hours per week in the practice and 33.1 hours per week in the treatment of patients*. On a yearly basis, private practitioners averaged 2,034 hours in the primary practice and 1,579 hours treating patients.

Table 5 contains the percentage distribution of independent private practitioners by: (1) average hours per week in the practice and, (2) average hours per year in the practice.

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*Annual hours per year was determined by multiplying weeks worked per year in the primary practice times hours worked per week. A dentist working 50 weeks per year at the rate of 40 hours per week spends 2,000 hours per year in the practice.

Table 5

Time Spent by Independent Dentists in Private Practice, Percentage Distribution by Hours Per Week and Hours Per Year, 1985

| Hours Per Week | Percent | n |
|---|---|---|
| Less than 20 | 2.3% | 48 |
| 20-29 | 10.1 | 207 |
| 30-39 | 51.4 | 1,053 |
| 40-49 | 27.9 | 573 |
| 50 or more | 8.3 | 170 |
| Total | 100.0 | 2,051 |
| **Hours Per Year** | | |
| Less than 1,000 | 4.8% | 99 |
| 1,000-1,199 | 4.2 | 85 |
| 1,200-1,399 | 7.3 | 150 |
| 1,400-1,599 | 16.8 | 345 |
| 1,600-1,799 | 24.2 | 497 |
| 1,800-1,999 | 18.5 | 380 |
| 2,000-2,199 | 10.8 | 221 |
| 2,200-2,399 | 5.5 | 112 |
| 2,400 or more | 7.9 | 163 |
| Total | 100.0 | 2,052 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Approximately 5.6% of independent dentists in private practice during 1985 spent less than 30 hours per week in the practice, while 94.4% spent 30 or more hours per week in their primary dental practices. About 67% of the independent private practitioners spent 40 or more hours per week in the practice. Annually, about 11.5% worked less than 1,600 hours, while slightly more than half (56%) worked 2,000 hours or more per year.

Table 6 contains the average net income of all independent dentists in private practice by the amount of time spent in the practice.

Table 6

Mean Net Income of Independent Dentists by Hours Per Week, Hours Per Year, and Source of Dental Income, 1985

| Hours Per Week | All Independent Dentists | General Practitioners | Specialists |
|---|---|---|---|
| Less than 32 hours: | | | |
| Primary Practice | $ 44,050 | $ 36,800 | $ 65,760 |
| Private Practice | 48,840 | 40,880 | 72,270 |
| Total from Dentistry | 54,300 | 45,210 | 81,220 |
| 32 hours or more: | | | |
| Primary Practice | 72,040 | 66,030 | 108,720 |
| Private Practice | 72,620 | 66,540 | 110,090 |
| Total from Dentistry | 73,460 | 67,190 | 112,170 |
| **Hours Per Year** | | | |
| Less than 1,600 hours: | | | |
| Primary Practice | $ 55,160 | $ 44,540 | $ 88,350 |
| Private Practice | 58,850 | 47,330 | 94,620 |
| Total from Dentistry | 62,880 | 50,370 | 101,940 |
| 1,600 hours or more: | | | |
| Primary Practice | 71,880 | 66,340 | 106,800 |
| Private Practice | 72,410 | 66,850 | 107,820 |
| Total from Dentistry | 73,240 | 67,500 | 109,830 |

Source: American Dental Association, 1986 Survey of Dental Practice.

As expected, income from private practice was lower among dentists working fewer hours in the practice. This was the case for both hours per week and hours per year. It is still the case, however, that dentists working in a primary private practice earn most of their annual net income from that primary practice, although the percentage is slightly lower for dentists working fewer hours. Specialists working fewer hours earn 88% of their income from the primary practice, while for those working more hours, the figure is 98%. Table 7 contains the average number of hours and the average age of the dentists for the groups reported in Table 6.

Table 7

Mean Hours Worked and Mean Age of Independent Dentists in Private Practice, 1985

| Hours Per Week | All Independent Dentists | General Practitioners | Specialists |
|---|---|---|---|
| Less than 32 hours: | | | |
| Mean age | 54.7 | 55.7 | 51.6 |
| Mean hours/week | 26.5 | 26.2 | 27.3 |
| 32 hours or more: | | | |
| Mean age | 46.1 | 45.8 | 47.9 |
| Mean hours/week | 44.0 | 44.1 | 43.7 |
| Hours Per Year | | | |
| Less than 1,600 hours: | | | |
| Mean age | 54.5 | 55.5 | 51.6 |
| Mean hours/week | 29.9 | 29.9 | 30.0 |
| 1,600 hours or more: | | | |
| Mean age | 45.8 | 45.5 | 47.6 |
| Mean hours/week | 44.4 | 44.4 | 44.3 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Dentists who worked less than 32 hours per week or who worked less than 1,600 per year were, on average, older than all dentists. The average age of all independent dentists is 47.1 years (median age is 45 years), compared to 54.7 years for all dentists working less than 32 hours per week, and 54.5 years for all dentists working less than 1,600 hours per year. Dentists working the fewest hours per week or per year tend to be older, rather than younger dentists. This may simply reflect the decision of older dentists to scale down the amount of time in practice in anticipation of total or semi-retirement. Although not shown in these tables, about 17.4% of the dentists are less than 35 years old, and of these dentists, about 5.8% work less than 32 hours per week. Similarly, about 6.2% of the dentists less than 35 years of age worked less than 1,600 hours per year. About 30.2% of the private practitioners are 55 years of age or older, and of this group of dentists, 15.9% worked less than 32 hours per week and 23.7% worked less than 1,600 hours per year.

These data seem to suggest that the amount of time that dentists spend in the practice partially reflects a natural work-life cycle. Most of the youngest dentists who are working in a primary private practice are doing so on a "full-time" basis in anticipation of building a practice. A significantly larger percent of the oldest dentists are working "part-time". Since no information is provided in these data concerning dental market conditions in the area of practice of these dentists, little can be said about the extent to which dentists working fewer hours are doing so because of a lack of patients or patient visits.

Independent dentists (i.e., dentists who are owners or share in the ownership of a practice) have three practice options. They may practice as unincorporated sole proprietors (i.e., one owner), partners in an unincorporated partnership, or shareholders in an incorporated practice. Most dentists (93%) are owners of a dental practice. Table 8 contains the distribution of independent dentists in private practice by type of practice.

Table 8

Percentage Distribution of Independent Dentists by Current Employment Status and Initial Employment Status in the Primary Practice, 1985

| Current Employment Status | Percent | n |
|---|---|---|
| Sole proprietor | 61.1% | 1,250 |
| Partner | 7.8 | 160 |
| Shareholder | 31.1 | 635 |
| | 100.0 | 2,045 |
| **Initial Employment Status in Current Practice** | | |
| Sole proprietor | 76.2% | 1,550 |
| Partner | 6.7 | 136 |
| Shareholder | 6.8 | 138 |
| Employed (unincorporated) | 3.4 | 68 |
| Nonshareholder (incorporated) | 5.2 | 106 |
| Independent contractor | 1.7 | 35 |
| | 100.0 | 2,033 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Most of the independent dentists currently in private practice are practicing in sole proprietorships (61.1%), the sole owners of the primary practice where they practice*. Only about 7.8% of currently practicing dentists are partners in a partnership and an additional 31.1% are shareholders in incorporated practices.

In addition to the current practice (employment) status of private practitioners, data are provided in Table 8 about the employment status of dentists when they first began in their current primary practice. Most (76.2%) started in their current practice as the sole proprietor. The remaining 23.8% started as partners (6.7%), shareholders in an incorporated practice (6.8%), employed dentists in an unincorporated practice (3.4%), nonshareholders in an incorporated practice (5.2%), and independent contractors (1.7%).

Table 9 contains data on the current status of independent practitioners according to their initial employment status in the practice.

Table 9

Current Employment Status of Independent Dentists by Initial Employment Status in the Current Practice, 1985

| Initial Employment Status in Current Practice | Current Employment Status: Sole Proprietor | Partner | Shareholder | Total |
|---|---|---|---|---|
| Sole proprietor | 72.9% | 2.7% | 24.4% | 100.0% |
| Partner | 26.1 | 50.2 | 23.7 | 100.0 |
| Shareholder | 2.9 | 1.3 | 95.8 | 100.0 |
| Employed (unincorporated) | 20.9 | 28.7 | 50.4 | 100.0 |
| Nonshareholder (incorporated) | 40.8 | 22.0 | 37.2 | 100.0 |
| Independent contractors | 48.3 | 9.7 | 42.0 | 100.0 |

Source: American Dental Association, 1986 Survey of Dental Practice.

*A dentist who is a sole proprietor may or may not work with other dentists in the same practice. A sole proprietor of a practice that works with no other dentists is a solo dentist. A sole proprietor may, however, employ other dentists and is, thus, not a solo dentist. A single owner of a dental practice that is incorporated is included under "incorporated" in Table 8. A solo dentist may also be an incorporated dentist.

About 76% of the independent dentists currently in private practice began in their current practice as sole proprietors. Of these dentists, 72.9% continue to practice as sole proprietors, while 2.7% are now practicing as partners, and 24.4% are now practicing as shareholders in an incorporated practice (Table 9). Note that since reference is made to the "same" practice (i.e., the current primary practice), then the data show the changes that have taken place in both the employment status of dentists and the character of the practice.

The data in Table 8 indicates that approximately 10.3% of the currently independent dentists started in a nonownership position in the practice (i.e., employed or nonshareholder). Table 9 indicates that most of these dentists are now practicing as sole proprietors or shareholders in that same practice.

The current employment status of independent dentists in primary practice by age of the dentist is shown in Table 10.

Table 10

Percentage Distribution of Independent Dentists by Current Employment Status and Age of the Dentist, 1985

| Age (years) | Current Employment Status: Sole Proprietor | Partner | Shareholder | Total |
|---|---|---|---|---|
| Less than 30 | 2.7% | 3.6% | 0.8% | --- |
| 30-34 | 16.1 | 18.2 | 7.5 | --- |
| 35-39 | 18.0 | 19.0 | 19.3 | --- |
| 40-44 | 12.3 | 21.1 | 21.3 | --- |
| 45-49 | 8.9 | 10.0 | 15.2 | --- |
| 50-54 | 10.2 | 9.0 | 11.9 | --- |
| 55-59 | 10.7 | 7.9 | 11.9 | --- |
| 60 or older | 21.1 | 11.1 | 12.1 | --- |
| Total | 100.0 | 100.0 | 100.0 | --- |
| | | | | |
| Less than 30 | 76.9% | 12.8% | 10.3% | 100.0% |
| 30-34 | 72.4 | 10.5 | 17.1 | 100.0 |
| 35-39 | 59.5 | 8.0 | 32.5 | 100.0 |
| 40-44 | 47.6 | 10.5 | 41.9 | 100.0 |
| 45-49 | 49.6 | 7.2 | 43.2 | 100.0 |
| 50-54 | 58.6 | 6.6 | 34.8 | 100.0 |
| 55-59 | 60.3 | 5.7 | 34.0 | 100.0 |
| 60 or older | 73.6 | 5.0 | 21.4 | 100.0 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Most independent dentists currently in private practice are sole proprietors (61.1%). Among all sole proprietors, about 18.9% are less than 35 years of age, and 21.1% are 60 years of age or older (Table 10, top half). The percentage of dentists who are sole proprietors declines somewhat after age 39, staying relatively constant (8-12%) between the ages of 45-59. The percentage of sole proprietor dentists reaches the highest proportion (21.1%) among dentists 60 years of age or older.

The bottom portion of Table 10 contains the distribution of independent dentists by type of practice status within each age group. Among all dentists with the least experience as private practitioners (i.e., dentists less than 30 years old), 76.9% are sole proprietors, although only 2.7% of private practitioners are in this age group. Within any age group of practitioners, sole proprietorship is the predominant form of dental practice ownership. Similar to that shown in the top portion of Table 10, sole proprietorships are most frequent among the dentists with the least experience (youngest) and the most experience (oldest).

Partnerships, on the other hand, show no significant pattern. The less than 30 age group shows a slightly higher percentage of partnerships than other groups, 12.8%. Shareholders in incorporated practices are least common among the youngest and oldest age groups, and reach a high of 43.2% in the 45-49 years of age category.

Table 11 contains the mean income of independent dentists practicing as sole proprietors, partners, and shareholders in an incorporated dental practice.

Table 11

Mean Net Income of Independent Dentists by Employment Status in the Primary Practice and by Source of Dental Income, 1985

| Source of Net Income | Sole Proprietor | | Partner | | Shareholder | |
|---|---|---|---|---|---|---|
| | Mean | n | Mean | n | Mean | n |
| **All Independent Dentists** | | | | | | |
| Primary Practice | $ 59,350 | 1,051 | $ 76,290 | 147 | $ 89,090 | 613 |
| Private Practice | 60,450 | 1,040 | 76,490 | 144 | 89,740 | 609 |
| Total from Dentistry | 61,650 | 1,039 | 79,010 | 144 | 90,610 | 608 |
| Mean Dentist Age | 47.3 | 1,191 | 43.8 | 168 | 46.7 | 692 |
| **General Practitioners** | | | | | | |
| Primary Practice | $ 56,770 | 879 | $ 69,200 | | $ 80,080 | 374 |
| Private Practice | 57,750 | 871 | 69,210 | | 80,530 | 373 |
| Total from Dentistry | 58,670 | 870 | 70,080 | | 81,350 | 373 |
| Mean Dentist Age | 47.1 | 994 | 42.8 | | 46.3 | 413 |
| **Specialists** | | | | | | |
| Primary Practice | $ 84,880 | 172 | $104,630 | 48 | $116,460 | 239 |
| Private Practice | 87,510 | 169 | 106,560 | 46 | 117,970 | 236 |
| Total from Dentistry | 91,440 | 169 | 115,930 | 46 | 119,100 | 235 |
| Mean Dentist Age | 49.1 | 197 | 47.9 | 57 | 48.1 | 279 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Regardless of employment status of the dentist, most of the net income is earned from a primary private dental practice. There is, however, variation in income among dentists in different employment arrangements. Although most independent dentists work in sole proprietorships, they earn, on average, lower net incomes than do independent dentists in other practice arrangements. Among all dentists working as shareholders in an incorporated practice, the mean net income from the primary practice was $89,090 representing about 50% more than the corresponding average net income earned by sole proprietors ($59,350). Among general practitioners, this difference amounts to 41%; among specialists the difference in net income between sole proprietors and shareholders is 37%.

The mean net income earned by independent dentists in private practice by geographic region of the U.S. is shown in Table 12.

Table 12

Mean Net Income and Mean Age of Independent Dentists, by U.S. Region and Source of Dental Income, 1985

| Region | Primary Practice | Private Practice | Total from Dentistry | n | Mean Age |
|---|---|---|---|---|---|
| | | All Independent Dentists | | | |
| New England | $ 61,070 | $ 62,270 | $ 63,480 | 110 | 48.4 |
| Middle Atlantic | 67,080 | 68,670 | 70,480 | 293 | 50.0 |
| East North Central | 70,690 | 71,860 | 73,510 | 339 | 46.9 |
| West North Central | 60,920 | 62,300 | 62,980 | 148 | 45.6 |
| South Atlantic | 76,320 | 76,510 | 77,460 | 269 | 46.1 |
| East South Central | 62,410 | 62,610 | 63,240 | 93 | 44.5 |
| West South Central | 73,310 | 75,870 | 76,330 | 150 | 45.7 |
| Mountain | 64,700 | 64,750 | 65,620 | 111 | 44.7 |
| Pacific | 77,200 | 78,220 | 79,430 | 284 | 46.7 |
| | | General Practitioners | | | |
| New England | $ 58,110 | $ 59,200 | $ 59,710 | 83 | 48.5 |
| Middle Atlantic | 60,910 | 62,220 | 63,380 | 209 | 49.8 |
| East North Central | 62,040 | 63,120 | 64,570 | 252 | 46.5 |
| West North Central | 55,050 | 56,030 | 56,250 | 117 | 45.5 |
| South Atlantic | 71,310 | 71,500 | 72,490 | 212 | 45.8 |
| East South Central | 57,570 | 57,780 | 58,360 | 80 | 44.8 |
| West South Central | 68,090 | 69,250 | 69,520 | 99 | 44.6 |
| Mountain | 60,420 | 60,420 | 61,400 | 81 | 44.3 |
| Pacific | 72,950 | 73,470 | 74,260 | 210 | 46.5 |
| | | Specialists* | | | |
| New England** | -- | -- | -- | -- | -- |
| Middle Atlantic | 96,850 | 100,110 | 105,080 | 84 | 50.7 |
| East North Central | 119,290 | 121,110 | 123,910 | 87 | 49.3 |
| West North Central | 103,860 | 108,490 | 114,290 | 31 | 46.9 |
| South Atlantic | 112,480 | 112,670 | 113,300 | 57 | 47.7 |
| East South Central** | -- | -- | -- | -- | -- |
| West South Central | 102,510 | 101,060 | 102,230 | 51 | 49.5 |
| Mountain | 87,110 | 87,110 | 87,430 | 30 | 47.0 |
| Pacific | 100,600 | 105,480 | 108,940 | 74 | 47.9 |

Source: American Dental Association, 1986 Survey of Dental Practice.

*The mean net income of specialists by region is less reliable than that of GPs due to the smaller sample of specialists per geographic region.

**Income levels for specialists in the East South Central and New England regions are not reported because the small number of responses from these areas are insufficient to ensure reliable statistical results.

The mean net income from primary practice for all independent dentists was shown to be $69,980 in Table 1. The mean net income was lower than the national average in five of the nine regions, including New England ($61,070), Middle Atlantic ($67,080), West North Central ($60,920), East South Central ($62,410), and Mountain ($64,700). The remaining four regions had mean net incomes that exceeded the national average. Among independent general practitioners, six regions had mean net incomes lower than the national average net income of general practitioners ($64,130 - Table 2). For independent specialists the national average net income from a primary practice was $94,050.

Note that two regions did not contain enough specialists to allow meaningful statistical analysis.

In general, the source of dentists' net income is not affected by the region where they practice. This is true, on average, for all independent dentists, who earned between 95% and 99% of net income from primary practice.

C. Income of Solo Dentists

The solo dentist practice is the most typical size of private practice. About 67% of all the nation's private practitioners were working in a practice with no other dentist. Solo dentists earn 98% of their annual income from the primary practice.

The net income of solo dentists in 1985 is reported in Table 13. For each net source of dental income, the median was $60,000. Mean income exceeds the median values by $4,860 for primary practice income to $6,150 for total net income. The mean net income from primary practice was $64,860 and represented 98% of the average income from all dental sources.

Table 13

Net Income of Solo Dentists
by Source of Dental Income, 1985

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $60,000 | $64,860 | 1,279 | $40,730 |
| Private Practice | 60,000 | 65,760 | 1,267 | 40,800 |
| Total from Dentistry | 60,330 | 66,480 | 1,265 | 41,080 |

Source: American Dental Association, 1986 Survey of Dental Practice.

The mean net income for solo general practitioners and specialists is shown in Table 14. The median net income for solo GPs (from all sources) was $55,000, which was lower than the median net income of all solo dentists.

Table 14

Mean Net Income of Solo General Practitioners and Solo Specialists by Source of Dental Income, 1985

General Practitioners

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $ 55,000 | $ 59,860 | 981 | $ 34,860 |
| Private Practice | 55,000 | 60,630 | 974 | 34,750 |
| Total from Dentistry | 55,000 | 61,150 | 973 | 34,710 |

Specialists

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $ 85,000 | $ 96,760 | 298 | $ 56,340 |
| Private Practice | 87,000 | 98,810 | 293 | 56,570 |
| Total from Dentistry | 90,000 | 100,980 | 292 | 57,250 |

Source: American Dental Association, 1986 Survey of Dental Practice.

The median net income of solo specialists (from all sources) was $90,000. The mean net incomes of both solo GPs and solo specialists exceeded the median values. The mean net income from primary practice for solo GPs was $59,860, which was about 8.3% less than the average for all dentists shown in Table 13. Specialists in solo practice had a mean net income of $96,760, which exceeded the mean net income of all solo dentists by about 49%. Both solo GPs and solo specialists derive their net income from a private practice that represents their primary dental occupation.

Table 15

Mean Net Income of Solo Dentists by Age and by Source of Dental Income, 1985

| Age (years) | Source of Net Income* | | | | | |
|---|---|---|---|---|---|---|
| | Primary Practice | | Private Practice | | Total from Dentistry | |
| | Mean | n | Mean | n | Mean | n |
| Less than 35 | $49,050 | 190 | $50,620 | 190 | $51,060 | 190 |
| 35-39 | 64,080 | 236 | 65,630 | 233 | 66,460 | 233 |
| 40-44 | 76,560 | 198 | 76,630 | 196 | 77,170 | 196 |
| 45-49 | 82,040 | 148 | 83,030 | 146 | 83,800 | 146 |
| 50-54 | 79,590 | 148 | 80,760 | 148 | 82,100 | 146 |
| 55-59 | 66,930 | 133 | 67,130 | 131 | 68,060 | 131 |
| 60 or older | 49,680 | 226 | 50,100 | 223 | 50,750 | 223 |

Source: American Dental Association, 1986 Survey of Dental Practice.

The lowest mean net income occurs among solo dentists with the least experience (i.e., the youngest age group). Table 15 shows that the average net income from primary practice for the youngest age group was $49,050, and the highest mean net income from primary practice occurred in the age group 45-49 years of age. The most experienced solo dentists earned an average of $49,680 from primary practice. Regardless of the dollar amounts earned, all solo dentists earn most of their income from a primary dental practice.

Income from dentistry by dentist age, for solo general practitioners and solo specialists is shown in Table 16.

*The age groups "less than 30" and "30-34" were combined into "less than 35" due to the small number of solo dentists who were less than 30 years old.

Table 16

Mean Net Income of Solo General Practitioners and Solo Specialists by Age and Source of Dental Income, 1985

| Age (years) | Source of Net Income: Primary Practice | | Private Practice | | Total from Dentistry | |
|---|---|---|---|---|---|---|
| | Mean | n | Mean | n | Mean | n |
| **General Practitioners** | | | | | | |
| Less than 35* | $ 48,170 | 178 | $ 49,800 | 178 | $ 50,250 | 178 |
| 35-39 | 58,910 | 183 | 60,060 | 181 | 60,310 | 181 |
| 40-44 | 70,180 | 133 | 70,410 | 133 | 70,870 | 133 |
| 45-49 | 75,030 | 103 | 75,590 | 102 | 76,500 | 102 |
| 50-54 | 71,900 | 100 | 72,660 | 100 | 73,580 | 99 |
| 55-59 | 65,480 | 100 | 65,580 | 99 | 66,380 | 99 |
| 60 or older | 46,570 | 184 | 46,870 | 181 | 47,220 | 181 |
| **Specialists** | | | | | | |
| Less than 35** | -- | -- | -- | -- | -- | -- |
| 35-39 | $ 98,680 | 53 | $103,280 | 52 | $107,930 | 52 |
| 40-44 | 101,890 | 65 | 102,090 | 63 | 102,980 | 63 |
| 45-49 | 113,130 | 45 | 116,500 | 44 | 116,610 | 44 |
| 50-54 | 110,640 | 48 | 113,490 | 48 | 116,900 | 47 |
| 55-59 | 75,440 | 33 | 76,420 | 32 | 78,100 | 32 |
| 60 or older | 76,140 | 42 | 77,100 | 42 | 80,220 | 42 |

Source: American Dental Association, 1986 Survey of Dental Practice.

*For general practitioners, the age groups "less than 30" and "30-34" were combined into "less than 35" due to the small number of dentists who were less than 30 years old.

**For specialists, the age group "less than 35" was not reported due to the small number of specialists in that age category.

The age earnings profile of solo GPs is very similar to that of all solo dentists in Table 15. The mean income of solo GPs is lower than the income of all solo dentists, reflecting the absence of the specialists' income. Solo GP mean net income from primary practice reaches a maximum in the 45-49 year old age group, as it does for all solo dentists.

In 1985, solo dentists in private practice spent, on average, 42.6 hours per week in the practice and 33.1 hours per week treating patients. Annually, solo practitioners average 2,034 hours per year in the primary practice and 1,578 hours per year treating patients*.

Table 17

Time Spent by Solo Dentists in Private Practice, Percentage Distribution by Hours Per Week and Hours Per Year, 1985

| Hours Per Week | Percent | n |
|---|---|---|
| Less than 20 | 0.8% | 12 |
| 20-29 | 3.1 | 49 |
| 30-39 | 27.5 | 397 |
| 40-49 | 51.8 | 748 |
| 50 or more | 16.8 | 243 |
| | 100.0 | 1,449 |

| Hours Per Year | | |
|---|---|---|
| Less than 1,000 | 2.6% | 38 |
| 1,000-1,199 | 1.7 | 24 |
| 1,200-1,399 | 3.7 | 53 |
| 1,400-1,599 | 5.7 | 83 |
| 1,600-1,799 | 11.9 | 172 |
| 1,800-1,999 | 21.3 | 308 |
| 2,000-2,199 | 25.3 | 366 |
| 2,200-2,399 | 13.0 | 191 |
| 2,400 or more | 14.8 | 214 |
| | 100.0 | 1,449 |

Source: American Dental Association, 1986 Survey of Dental Practice.

*Annual hours per year was determined by multiplying weeks worked per year in the primary practice times hours worked per week. A dentist working 50 weeks per year at the rate of 40 hours per week spends 2,000 hours per year in the practice.

Table 17 contains the percent distribution of solo practitioners by (1) average hours per week in the private practice and (2) average hours per year in the private practice.

About 5.6% of solo dentists spent (in 1985) less than 30 hours per week in the practice, while 94.4% spent 30 or more hours per week in their primary practice. About 67% of private practitioners spent 40 or more hours per week in the practice. Annually, about 11.5% of the solo practitioners worked less than 1,600 hours per year, while 88.5% worked 1,600 or more hours per year.

Table 18 contains average net income of solo dentists in private practice by the amount of time worked per week in the practice.

Table 18

Mean Net Income of Solo Dentists by Hours Per Week, Hours Per Year, and Source of Dental Income, 1985

| Hours Per Week | All Solo Dentists | General Practitioners | Specialists |
|---|---|---|---|
| Less than 32 hours: | | | |
| Primary Practice | $ 37,540 | $ 30,260 | $ 64,580 |
| Private Practice | 43,530 | 33,910 | 73,600 |
| Total from Dentistry | 44,440 | 35,080 | 78,600 |
| 32 hours or more: | | | |
| Primary Practice | $ 67,070 | $ 62,030 | $101,040 |
| Private Practice | 67,610 | 62,540 | 102,230 |
| Total from Dentistry | 68,210 | 62,980 | 103,930 |
| Hours Pers Year | | | |
| Less than 1,600 hours: | | | |
| Primary Practice | $ 48,050 | $ 36,000 | $ 90,240 |
| Private Practice | 51,840 | 38,470 | 98,070 |
| Total from Dentistry | 53,550 | 39,600 | 102,140 |
| 1,600 hours or more: | | | |
| Primary Practice | $ 67,030 | $ 62,600 | $ 98,270 |
| Private Practice | 67,520 | 63,110 | 98,980 |
| Total from Dentistry | 68,100 | 63,530 | 100,720 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Incomes from private practice were lower among solo dentists working fewer hours in the practice. This was the case for both hours per week and hours per year. It is still the case, however, that solo dentists working in a primary private practice earn most

of their annual net income from the primary practice. Table 19 contains the average number of hours worked and the average age of the solo dentists for the groups reported in Table 18.

Table 19

Mean Hours Worked and Mean Age
of Solo Dentists in Private Practice, 1985

| Hours Per Week | All Solo Dentists | General Practitioners | Specialists |
|---|---|---|---|
| Less than 32 hours: | | | |
| Mean age | 56.2 | 57.6 | 51.0 |
| Mean hours/week | 26.5 | 26.2 | 27.9 |
| 32 hours or more: | | | |
| Mean age | 46.4 | 46.2 | 47.8 |
| Mean hours/week | 44.0 | 44.0 | 43.6 |
| Hours Per Year | | | |
| Less than 1,600 hours: | | | |
| Mean age | 55.4 | 56.6 | 51.1 |
| Mean hours/week | 30.0 | 29.8 | 30.8 |
| 1,600 hours or more: | | | |
| Mean age | 46.1 | 45.9 | 47.4 |
| Mean hours/week | 44.3 | 44.3 | 44.3 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Solo dentists who worked less than 32 hours per week or who worked less than 1,600 hours per year were, on average, older than other solo dentists. The average age of solo dentists is 47.1 years, compared to 56.2 years for solo dentists working less than 32 hours per week, and 55.4 years for solo dentists working less than 1,600 hours per year. The decision of older dentists to scale down the amount of time spent in the practice (in anticipation of total or semi-retirement) may be reflected by the fewer hours they work per week and per year. These data seem to also suggest that the amount of time that dentists spend in the practice partially reflects a natural work-life cycle.

Solo dentists have two ownership options. They may practice as an unincorporated sole proprietor (i.e., the only owner of the practice) or a shareholder in an incorporated practice.

Table 20 contains information about the current practice status of solo dentists in 1985. In addition, data is provided concerning practice status when the dentists first began in their "current" primary practice.

Table 20

Percentage Distribution of Solo Dentists by Current Employment Status and Initial Employment Status in Current Primary Practice, 1985

| Current Employment Status | Percent | n |
|---|---|---|
| Sole proprietor | 74.1% | 1,084 |
| Shareholder | 25.9 | 379 |
| | 100.0 | 1,463 |
| **Initial Employment Status in Current Practice** | | |
| Sole proprietor | 87.1% | 1,270 |
| Partner | 2.4 | 34 |
| Shareholder | 4.4 | 65 |
| Employed (unincorporated) | 1.5 | 22 |
| Nonshareholder (incorporated) | 3.1 | 45 |
| Independent Contractor | 1.5 | 22 |
| | 100.0 | 1,458 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Most of the dentists currently in solo private practice are practicing in sole proprietorships (74.1%). The additional 25.9% are solo shareholders in an incorporated practice.

In addition to the current practice (employment) status of solo practitioners, data are provided in Table 20 about the employment status of dentists when they first began in their current solo practice. More than 4 out of 5 practitioners (87.1%) started in their current practices as sole proprietors. The remaining 12.9% started as partners (2.4%), shareholders in an incorporated

practice (4.4%), employed dentists in an unincorporated practice (1.5%), nonshareholders in an incorporated practice (3.1%), and on an independent contractor basis (1.5%).

Table 21 contains data on the current status of practitioners according to their initial status in the practice.

Table 21

Current Employment Status of Independent Dentists by Initial Employment Status in the Current Practice, 1985

| Initial Employment Status in Current Practice | Current Employment Status: Sole Proprietor | Shareholder | Total |
|---|---|---|---|
| Sole proprietor | 79.5% | 21.5% | 100.0% |
| Partner | 75.0 | 25.0 | 100.0 |
| Shareholder | 4.4 | 95.6 | 100.0 |
| Employed (unincorporated) | 49.9 | 50.0 | 100.0 |
| Nonshareholder(incorporated) | 63.2 | 36.8 | 100.0 |
| Independent contractor | 61.5 | 38.5 | 100.0 |

Source: American Dental Association, 1986 Survey of Dental Practice.

As indicated in Table 20, about 87.1% of the current solo dentists in private practice began in their current practice as sole proprietor. Of these dentists, 79.5% continue to practice as sole proprietors, while 21.5% are now practicing in a solo incorporated practice.

The current employment status of the solo dentists in private practice by age of the dentists is shown in Table 22.

Table 22

Percentage Distribution of Solo Dentists by Current Employment Status and Age of the Dentist, 1985

| Age (years) | Current Employment Status: Sole Proprietor | Shareholder | Total |
|---|---|---|---|
| Less than 30 | 2.4% | - | --- |
| 30-34 | 16.4 | 6.0% | --- |
| 35-39 | 18.2 | 19.4 | --- |
| 40-44 | 11.4 | 23.5 | --- |
| 45-49 | 9.1 | 16.8 | --- |
| 50-54 | 10.3 | 12.5 | --- |
| 55-59 | 10.8 | 9.7 | --- |
| 60 or older | 21.4 | 12.1 | --- |
| Total | 100.0 | 100.0 | --- |
| | | | |
| Less than 30 | 100.0% | - | 100.0% |
| 30-34 | 88.6 | 11.4% | 100.0 |
| 35-39 | 72.8 | 27.2 | 100.0 |
| 40-44 | 58.1 | 41.9 | 100.0 |
| 45-49 | 60.6 | 39.4 | 100.0 |
| 50-54 | 70.2 | 29.8 | 100.0 |
| 55-59 | 76.0 | 24.0 | 100.0 |
| 60 or older | 83.5 | 16.5 | 100.0 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Most dentists currently in solo practice are also sole proprietors (Table 20). Among all sole proprietors, about 18.8% are less than 35 years of age, and 21.4% are 60 years of age or older (Table 22, top half). The percent of solo dentists who are sole proprietors tends to decline after the age of 35, to a low of 9.1% in the age group 45-49. The percent of sole proprietor dentists then begins to rise, reaching the highest percent (21.4%) among dentists 60 years of age or older. The age distribution of solo shareholders reflects a pattern opposite of that for sole proprietors. The percent of dentists who are solo shareholders increases to a high of about 23.5% among dentists aged 40-44 and then declines throughout the remaining age profiles.

Table 23 contains the mean net income of solo dentists practicing as sole proprietors and shareholders in an incorporated dental practice.

Table 23

Mean Net Income of Solo Dentists by Employment Status in the Primary Practice and by Source of Dental Income, 1985

| Source of Net Income | Sole Proprietor | | Shareholder | |
|---|---|---|---|---|
| | Mean | n | Mean | n |
| | | All Solo Dentists | | |
| Primary Practice | $ 57,980 | 911 | $ 84,250 | 368 |
| Private Practice | 58,980 | 902 | 84,760 | 365 |
| Total from Dentistry | 59,790 | 901 | 85,250 | 364 |
| Mean Dentist Age | 57.5 | 1,034 | 46.8 | 415 |
| | | General Practitioners | | |
| Primary Practice | $ 55,290 | 759 | $ 75,500 | 222 |
| Private Practice | 56,170 | 752 | 75,740 | 222 |
| Total from Dentistry | 56,710 | 751 | 76,150 | 222 |
| Mean Dentist Age | 47.3 | 860 | 46.5 | 245 |
| | | Specialists | | |
| Primary Practice | $ 83,990 | 152 | $110,050 | 146 |
| Private Practice | 86,310 | 150 | 111,920 | 143 |
| Total from Dentistry | 89,750 | 150 | 112,840 | 142 |
| Mean Dentist Age | 48.7 | 174 | 47.7 | 170 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Regardless of employment status of the solo dentists, most of the dental net income is earned from a primary private dental practice. There is, however, variation in income among dentists in different employment arrangements. Most solo dentists work in sole proprietorships and, on average, earn net incomes lower than dentists in other practice arrangements. Among solo dentists working as solo shareholders in an incorporated practice, the mean net income from the primary practice was $84,250, representing about 45% more than the corresponding net income earned by sole proprietors ($57,980). Among solo general practitioners this difference amounts to about 37%, and among solo specialists the difference in net income between sole proprietors and solo shareholders is 31%.

The mean net income earned by solo dentists in private practice by geographic region of the U.S is shown in Table 24.

Table 24

Mean Net Income and Mean Age of Solo Dentists, by U.S. Region and Source of Dental Income, 1985

| Region | Primary Practice | Private Practice | Total from Dentistry | n | Mean Age |
|---|---|---|---|---|---|
| | | All Solo Dentists | | | |
| New England | $ 56,390 | $ 57,140 | $ 57,820 | 76 | 49.8 |
| Middle Atlantic | 59,030 | 60,760 | 62,150 | 194 | 50.6 |
| East North Central | 66,230 | 66,900 | 67,630 | 234 | 47.2 |
| West North Central | 54,740 | 56,540 | 57,010 | 101 | 46.7 |
| South Atlantic | 71,060 | 71,300 | 71,600 | 185 | 45.9 |
| East South Central | 63,830 | 64,100 | 64,390 | 71 | 44.3 |
| West South Central | 72,890 | 73,420 | 73,880 | 115 | 46.7 |
| Mountain | 61,760 | 61,790 | 62,790 | 87 | 45.1 |
| Pacific | 69,950 | 71,270 | 72,080 | 206 | 47.3 |
| | | General Practitioners | | | |
| New England | $ 54,260 | $ 54,680 | $ 54,920 | 61 | 50.1 |
| Middle Atlantic | 55,120 | 56,730 | 57,760 | 148 | 50.5 |
| East North Central | 58,530 | 59,050 | 59,620 | 181 | 46.9 |
| West North Central | 52,990 | 54,390 | 54,700 | 84 | 46.6 |
| South Atlantic | 64,500 | 64,740 | 65,020 | 143 | 46.0 |
| East South Central | 59,230 | 59,520 | 59,690 | 59 | 44.9 |
| West South Central | 67,240 | 68,730 | 68,950 | 75 | 45.7 |
| Mountain | 58,750 | 58,730 | 59,880 | 65 | 44.9 |
| Pacific | 65,420 | 66,080 | 66,500 | 157 | 47.0 |
| | | Specialists | | | |
| New England* | - | - | - | - | - |
| Middle Atlantic | $ 83,470 | $ 86,160 | $ 89,760 | 46 | 50.9 |
| East North Central | 117,230 | 118,360 | 120,120 | 53 | 49.3 |
| West North Central * | - | - | - | - | - |
| South Atlantic | 114,340 | 114,610 | 115,070 | 42 | 45.8 |
| East South Central* | - | - | - | - | - |
| West South Central | 93,430 | 90,700 | 92,050 | 40 | 50.2 |
| Mountain | 79,030 | 79,030 | 79,240 | 22 | 46.0 |
| Pacific | 98,100 | 104,910 | 107,970 | 49 | 49.2 |

Source: American Dental Association, 1986 Survey of Dental Practice.

*For specialists in the New England, West North Central, and East South Central regions results are not reported because the small number of responses from these areas are insufficient to ensure reliable statistical results.

The mean net income from primary practice for all solo dentists was shown to be about $64,860 (Table 13). The mean net income was lower than the national average in five of the nine regions, including New England ($56,390), Middle Atlantic ($59,030), West North Central ($54,740), East South Central ($63,830) and Mountain ($61,760). The remaining four regions had mean net incomes that exceeded the national average. Among solo general practitioners, six regions had mean net incomes lower than the national average for solo general practitioners, ($59,860). Solo specialists income was lower than the national average, $96,760, in three regions, Middle Atlantic ($83,470), West South Central ($96,760), and Mountain ($79,030).

In general, the source of solo dentists' net income is not affected by the region where the dentists practice. This is true, on average, for all solo dentists, who earned between 96 and 99% of net income from a primary practice (Table 13).

D. Income of Nonowner Associate Dentists

The 1985 net income of nonowner dentists is reported in Table 25. The mean and median incomes for all nonowner dentists and nonowner general practitioners are shown separately. The median net income for all nonowner dentists in the primary practice was $35,000 and the mean net income was $35,030. The mean primary practice income represented 91% of the average income from all dental sources.

Table 25

Net Income of Nonowner Dentists
by Source of Dental Income, 1985

All Nonowner Dentists

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $35,000 | $35,030 | 68 | $19,130 |
| Private Practice | 35,000 | 36,540 | 67 | 20,330 |
| Total from Dentistry | 36,000 | 38,670 | 67 | 20,390 |

General Practitioners

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $31,000 | $33,580 | 58 | $16,840 |
| Private Practice | 32,000 | 35,210 | 57 | 18,340 |
| Total from Dentistry | 35,000 | 37,440 | 57 | 18,530 |

Source: American Dental Association, 1986 Survey of Dental Practice.

The lower half of Table 25 presents the mean and median net income figures for employed general practitioners. The mean primary practice income of $33,580 exceeds the median, $31,000, by $2,580. For nonowner general practitioners, the primary practice net income represents 90% of the average net income from all dental sources.

Table 26 presents mean net income by age group. Most nonowner dentists (54%) are 34 years of age or older. Little difference exists between the age groups in terms of the percentage income derived from the primary practice.

Table 26

Mean Net Income of Nonowner Dentists by Age and by Source of Dental Income, 1985

| Age (years) | Source of Net Income: Primary Practice | | Private Practice | | Total from Dentistry | |
|---|---|---|---|---|---|---|
| | Mean | n | Mean | n | Mean | n |
| Less than 34* | $31,340 | 31 | $33,500 | 31 | $35,250 | 31 |
| 34 or older* | 38,270 | 37 | 39,300 | 36 | 41,760 | 36 |

Source: American Dental Association, 1986 Survey of Dental Practice.

Table 27 contains the percentage distribution of the average hours spent in the practice per week and per year for nonowner dentists. About 59% of all employed dentists spend more than 40 hours per week in the practice, while 52% spend more than 2,000 hours per year.

*All age categories were combined into these two groups because any one category contained too few respondents for reliable statistical analysis.

Table 27

Time Spent by Associate Dentists in Private Practice, Percentage Distribution by Hours Per Week and Hours Per Year, 1985

| Hours Per Week | Percent | n |
|---|---|---|
| Less than 40 | 41.3% | 31 |
| 40 or more | 58.7 | 44 |
| | 100.0% | 75 |
| **Hours Per Year** | | |
| Less than 2,000 | 48.0% | 36 |
| 2,000 or more | 52.0 | 39 |
| | 100.0% | 75 |

Source: American Dental Association, 1986 Survey of Dental Practice.

In 1985, nonowner dentists spent, on average, 39.7 hours per week in the primary practice and 30.8 hours of which were spent treating patients. Annually, nonowner dentists spent 1,857 hours in the practice and 1,442 hours treating patients.* Approximately, 78% of time spent in the practice was spent treating patients.

*Annual hours per year was determined by multiplying weeks worked per year in the primary practice times hours worked per week. A dentist working 50 weeks per year at the rate of 40 hours per week spends 2,000 hours per year in the practice.

E. Net Income of Independent Contractors

The 1985 net income of independent contractor dentists is reported in Table 29. The mean and median incomes for all independent contractor dentists and independent contractor general practitioners are shown separately. The median net income for all independent contractors from the primary practice was $40,000 and the mean net income was $44,560. The mean, which exceeded the median by $4,560 represented 92% of the average income from all dental sources.

The lower half of Table 29 presents the mean and median net income figures for independent contractor general practitioners. The mean primary practice income of $42,420 exceeds the median, $39,000, by $3,420. For independent contractors, the primary practice net income represents 94% of the average net income from all dental sources.

Table 28

Net Income of Independent Contractors
by Source of Dental Income, 1985

All Independent Contractors

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $40,000 | $44,560 | 39 | $29,530 |
| Private Practice | 41,730 | 45,660 | 38 | 29,490 |
| Total from Dentistry | 43,730 | 48,210 | 38 | 30,330 |

General Practitioners

| Source of Net Income | Median | Mean | n | S.D. |
|---|---|---|---|---|
| Primary Practice | $39,000 | $42,420 | 34 | $27,230 |
| Private Practice | 40,500 | 43,480 | 34 | 26,880 |
| Total from Dentistry | 41,250 | 44,960 | 34 | 26,400 |

Source: American Dental Association, 1986 Survey of Dental Practice.

F. Gross Income of Independent Dentists

The gross income figures for independent dentists are reported as gross income per owner dentist. The gross income of each practice has been equally distributed among each owner dentist working in the practice. This is not the only possible way of allocating practice resources and it may not accurately represent all practices. The gross income per owner dentist is a rate constructed by dividing the practice gross income by the number of owner dentists in that practice.

The primary practice average gross income per independent owner dentists is presented in Table 29. The average for all independent dentists was $202,930. The average for general practitioners was $192,560, which was about 5% less than the average for all independent dentists. Specialists' gross income averaged $262,910, exceeding the mean of all independent dentists by 30%. The mean, in all cases, exceeded the median values.

Table 29

Independent Dentists' Primary Practice Gross Income Per Owner Dentist, 1985

| | Mean | Median | Standard Deviation | n |
|---|---|---|---|---|
| All Independent Dentists | $202,930 | $185,000 | $131,730 | 1,700 |
| General Practitioners | 192,560 | 168,740 | 125,960 | 1,273 |
| Specialists | 262,910 | 250,000 | 146,730 | 427 |

Source: American Dental Association, 1986 Survey of Dental Practice.

The average gross income per independent dentists by age is presented in Table 30. In both general practitioners and specialists, earnings reached a maximum between the ages 40-50 and then began to decline. Dentists 60 years of age and older and those less than 30 had the lowest gross incomes.

Table 30

Independent Dentists' Primary Practice Gross Income Per Owner Dentist by Age, 1985

| Age (years) | Mean | n |
|---|---|---|
| | **All Independent Dentists** | |
| Less than 30 | $108,930 | 33 |
| 30-34 | 165,570 | 228 |
| 35-39 | 211,480 | 323 |
| 40-44 | 260,670 | 286 |
| 45-49 | 243,240 | 197 |
| 50-54 | 231,950 | 196 |
| 55-59 | 215,910 | 180 |
| 60 or older | 159,290 | 257 |
| | **General Practitioners** | |
| Less than 30 | $108,930 | 33 |
| 30-34 | 161,030 | 211 |
| 35-39 | 196,450 | 250 |
| 40-44 | 239,620 | 191 |
| 45-49 | 223,790 | 136 |
| 50-54 | 213,270 | 122 |
| 55-59 | 210,480 | 133 |
| 60 or older | 143,280 | 197 |
| | **Specialists** | |
| Less than 35* | - | - |
| 35-39 | $262,960 | 73 |
| 40-44 | 302,990 | 95 |
| 45-49 | 286,630 | 61 |
| 50-54 | 262,760 | 74 |
| 55-59 | 231,260 | 47 |
| 60 or older | 211,880 | 60. |

Source: American Dental Association, 1986 Survey of Dental Practice.

*For specialists, results for the category "less than 35" are not reported because the small number of responses are insufficient to ensure reliable statistical results.

Primary practice gross income per dentist for independent dentists by geographic region is presented in Table 31. Five of the nine regions, East North Central, South Atlantic, West South Central, Mountain, and Pacific had an average gross income that exceeded the national average, $202,930, for all independent dentists.

Table 31

Independent Dentists' Primary Practice Gross Income Per Owner Dentist by Region, 1985

| Region | Mean | n |
|---|---|---|
| | All Independent Dentists | |
| New England | $177,130 | 102 |
| Middle Atlantic | 191,570 | 274 |
| East North Central | 209,220 | 318 |
| West North Central | 192,060 | 143 |
| South Atlantic | 233,300 | 251 |
| East South Central | 181,390 | 87 |
| West South Central | 224,420 | 146 |
| Mountain | 207,410 | 104 |
| Pacific | 237,970 | 266 |
| | General Practitioners | |
| New England | $168,250 | 77 |
| Middle Atlantic | 172,600 | 197 |
| East North Central | 185,850 | 242 |
| West North Central | 172,070 | 115 |
| South Atlantic | 217,490 | 198 |
| East South Central | 160,750 | 72 |
| West South Central | 204,330 | 95 |
| Mountain | 193,100 | 77 |
| Pacific | 227,190 | 193 |
| | Specialists | |
| New England* | - | - |
| Middle Atlantic | $240,080 | 77 |
| East North Central | 283,650 | 76 |
| West North Central* | - | - |
| South Atlantic | 292,380 | 53 |
| East South Central* | - | - |
| West South Central | 261,850 | 51 |
| Mountain* | - | - |
| Pacific | 266,480 | 73 |

Source: American Dental Association, 1986 Survey of Dental Practice.

*Results are not reported for specialists in these regions because the the small number of responses in these areas are insufficient to ensure reliable statistical results.

Table 32 contains the average primary practice gross income per owner dentists for independent sole proprietors, partners, and shareholders in an incorporated practice. Independent dentists working in sole proprietorships earn less than independent dentists in other practice arrangements. Shareholders' gross income per owner dentists was almost 63% higher than that of dentists in sole proprietorships. Among general practitioners this difference amounts to 62%; among specialists there is a 40% difference in gross income per dentist between sole proprietors and shareholders.

Table 32

Independent Dentists' Primary Practice Gross Income Per Owner Dentist by Employment Status, 1985

| | Mean | n |
|---|---|---|
| **All Independent Dentists** | | |
| Sole Proprietor | $165,560 | 987 |
| Partner | 222,820 | 127 |
| Shareholder | 269,560 | 586 |
| **General Practitioners** | | |
| Sole Proprietor | $160,530 | 824 |
| Partner | 217,750 | 88 |
| Shareholder | 259,510 | 361 |
| **Specialists** | | |
| Sole Proprietor | $214,860 | 163 |
| Partner | 245,040 | 39 |
| Shareholder | 300,820 | 225 |

Source: American Dental Association, 1986 Survey of Dental Practice.

G. Gross Income of Solo Dentists

The solo dentist practice is the most typical size of private practice. About 68% of the nation's private practitioners were working in a practice with no other dentist in 1985.

Statistics on solo dentists' gross income are presented in Table 36. The average practice gross income for the solo dentist is $179,830. The solo general practitioner averaged $169,040 which is about 6% less than the average for all solo dentists. Specialists in solo practice had a mean of $249,710 which exceeded the mean for all solo dentists by about 39%. The mean in all instances exceeded the median.

Table 33

Solo Dentists' Primary Practice
Gross Income, 1985

| | Mean | Median | Standard Deviation | n |
|---|---|---|---|---|
| All Solo Dentists | $179,830 | $170,000 | $ 99,810 | 1,215 |
| Solo General Practitioners | 169,040 | 158,000 | 88,760 | 935 |
| Solo Specialists | 249,710 | 229,500 | 129,880 | 280 |

Source: American Dental Association, 1986 Survey of Dental Practice.

The average practice gross income for solo dentists by age is reported in Table 37. The solo dentists who are 60 years of age and older reported the lowest gross income. Gross income increases until the ages of 40-44 when it reaches its maximum. Gross income begins to decline afterwards with the age 60 and older group reporting the lowest gross incomes. This relationship is the same for solo general practitioners as well as solo specialists.

Table 34

Solo Dentists' Primary Practice Gross Income by Age, 1985

| Age (years) | Mean | n |
|---|---|---|
| | **All Solo Dentists** | |
| Less than 35* | $141,220 | 185 |
| 35-39 | 195,410 | 235 |
| 40-44 | 225,690 | 193 |
| 45-49 | 215,640 | 144 |
| 50-54 | 196,700 | 139 |
| 55-59 | 176,130 | 127 |
| 60 or older | 123,930 | 192 |
| | **General Practitioners** | |
| Less than 35* | $138,488 | 174 |
| 35-39 | 185,070 | 184 |
| 40-44 | 212,600 | 131 |
| 45-49 | 203,530 | 102 |
| 50-54 | 184,060 | 92 |
| 55-59 | 168,580 | 95 |
| 60 or older | 116,850 | 157 |
| | **Specialists** | |
| Less than 35** | -- | -- |
| 35-39 | $267,710 | 51 |
| 40-44 | 279,310 | 62 |
| 45-49 | 272,720 | 42 |
| 50-54 | 244,660 | 47 |
| 55-59 | 219,610 | 32 |
| 60 and older | 185,530 | 35 |

Source: American Dental Association, 1986 Survey of Dental Practice.

*For all solo dentists and general practitioners, the age groups "less than 30" and "30-34" were combined due to the small number of dentists under 30 years of age.

**For specialists, the age groups "less than 30" and "30-34" were not reported due to the small number of specialists who were in these categories.

Primary practice gross income by geographic region is reported in Table 38. Solo dentists in five regions had a primary practice gross income higher than the national average of $179,830. These were the East North Central, South Atlantic, West South Central, Mountain, and Pacific. Solo general practitioners in four regions reported a practice gross income higher than the national average of $169,040, while solo specialists reported practice gross incomes exceeding the mean of $249,710, in three regions.

Table 35

Solo Dentists' Primary Practice Gross Income by Region, 1985

| Region | Mean | n |
|---|---|---|
| **All Solo Dentists** | | |
| New England | $143,430 | 68 |
| Middle Atlantic | 144,050 | 182 |
| East North Central | 182,020 | 220 |
| West North Central | 150,630 | 99 |
| South Atlantic | 202,290 | 178 |
| East South Central | 177,190 | 69 |
| West South Central | 201,370 | 114 |
| Mountain | 194,270 | 80 |
| Pacific | 205,120 | 197 |
| **Solo General Practitioners** | | |
| New England | $136,700 | 55 |
| Middle Atlantic | 133,300 | 137 |
| East North Central | 168,170 | 175 |
| West North Central | 148,110 | 84 |
| South Atlantic | 187,690 | 138 |
| East South Central | 165,090 | 55 |
| West South Central | 190,590 | 74 |
| Mountain | 191,130 | 61 |
| Pacific | 194,750 | 149 |
| **Solo Specialists** | | |
| New England* | - | - |
| Middle Atlantic | $207,530 | 45 |
| East North Central | 286,500 | 45 |
| West North Central* | - | - |
| South Atlantic | 300,040 | 40 |
| East South Central* | - | - |
| West South Central | 240,070 | 40 |
| Mountain* | - | - |
| Pacific | 267,550 | 48 |

Source: American Dental Association, 1986 Survey of Dental Practice.

*Gross income was not reported for specialists in New England, West North Central, East South Central, and Mountain regions due to the small number of responses in these areas. The number of responses were insufficient to ensure reliable statistical results.

Although most solo dentists are sole proprietors, the solo dentists who are solo shareholders in an incorporated practice earn, on average, a 60% higher practice gross income. The average gross incomes by type of practice are listed in Table 36.

Table 36

Solo Dentists' Primary Practice Gross Income
by Employment Status, 1985

| | Mean | n |
|---|---|---|
| **All Solo Dentists** | | |
| Sole Proprietor | $154,850 | 859 |
| Shareholder | 247,950 | 356 |
| **Solo General Practitioners** | | |
| Sole Proprietor | $149,660 | 716 |
| Shareholder | 232,430 | 219 |
| **Solo Specialists** | | |
| Sole Proprietor | $205,280 | 143 |
| Shareholder | 296,100 | 137 |

Source: American Dental Association, 1986 Survey of Dental Practice.

The general practitioner who is a sole shareholder reported a practice gross income 55% higher than the general practitioner who is sole proprietor. This same relationship is true of the solo specialists. The solo shareholder's practice gross income is 44% higher than the solo specialist who is a sole proprietor.

## III. SUMMARY OF SELECTED RESULTS

The level and growth of dental income are indicators of the economic health of practicing dentists and are influential in decision-making by individuals contemplating future entry into the dental profession. This report contains an examination of the level of income from the private practice of dentistry in the United States. The findings are based on the results of the American Dental Association's 1986 Survey of Dental Practice. Selected summary findings contained in this report are presented below.

### A. General Characteristics of Dentists in Private Practice in the United States

- Most of the nation's dentists who work in private practice do so as a primary dental occupation (97.3%).
- Most (93.2%) private practitioners are owners or share in the ownership of the practice where they work. Only about 4.2% of private dentists work as associate (nonowner) dentists in a private practice as a primary occupation, and 2.7% work as independent contractors. Of the nonowner associate dentists, 85% are general practitioners, while 86% of the independent contractors are GPs.
- Being a solo practitioner (i.e., the only dentist in the private practice) is the choice of 67.2% of the nation's private practitioners. About 19.1% work with one other dentist in the practice, and 13.1% work with more than one other dentist.
- Most private practicing dentists work, on average, more than 32 hours per week (90%) and more than 1,600 hours per year (85%).
- Approximately 18.6% of all private practitioners are under the age of 35; 51.9% are under the age of 45; and about 8.2% are 65 years of age or older.
- Approximately 69.1% of the nation's private practicing dentists graduated from dental school since 1960.

### B. Income from the Private Practice of Dentistry

- The majority of income earned by independent private practitioners comes from treating patients in a primary dental practice (97.1%).
- Among the nation's solo practitioners, the mean net income from the primary practice was $64,860; solo general practitioners averaged $59,860 and solo specialists averaged $96,760.

- Mean net income is the lowest for the least experienced independent private practitioners (i.e., the youngest) and reaches a maximum among dentists 45-49 years of age.

- The age earnings profile of independent specialists differs from that of independent GPs in the following ways: (1) the mean net income is greater ($103,390); (2) the mean age is higher; most specialists are not practicing before the age of 30.

- Independent private practitioners spend, on average, about 42.6 hours per week in the practice and 33.1 hours per week treating patients. They also spend an average of 2,034 hours per year in the office, 1,579 hours per year treating patients. About 77% of the time spent in the practice is spent treating patients.

- The average age of an independent dentist is 47.1 years; the median age is 45 years. Dentists who work less than 32 hours per week in the office are, on average, older dentists (54.7 years), as are the dentists working less than 1,600 hours per year (54.5 years).

- The mean primary practice gross income for solo practitioners was $179,830. Solo general practitioners averaged $169,040 while solo specialists averaged $249,710.

DEFINITIONS

Definitions of several terms and phrases are provided in this section to assist with the interpretation of data contained in the tables. The dentists included in this report were working private practice as a primary occupation. In addition, all dentists had started in their current (i.e., 1986) practice prior to 1985.

1. INDEPENDENT DENTISTS: All dentists who own or share in the ownership of a dental practice. This ownership status includes sole proprietorship, partnership and a shareholder in an incorporated practice.

2. SOLO DENTISTS: A solo dentist is the sole owner of the practice and is the only dentist working in the practice. The ownership status may be either a sole proprietorship or the sole shareholder in an incorporated practice. Solo dentists are a subset of independent dentists.

3. SOLE PROPRIETOR: A dentists who is a sole proprietor may or may not work with other dentists in the same practice. A sole proprietor of a practice who works with no other dentists is a solo dentist. A sole proprietor may, however, employ other dentists and is, thus, not a solo dentist. A single owner of a dental practice that is incorporated is included under incorporated. A solo dentist may also be an incorporated dentist as a sole shareholder.

4. NONOWNER ASSOCIATE DENTISTS: A nonowner dentist may be employed in an incorporated dental practice on a salary, commission, percentage, or associate basis, but not as a shareholder or in an unincorporated dental practice on a salary, commission, percentage, or associate basis. A nonowner dentist may also be an independent contractor.

5. MEAN: This is the simple average of values reported by the dentists responding to the survey. The mean is calculated by summing the values reported and then dividing the sum by the number of dentists responding to any given question.

6. WEIGHTING: Since specialists comprise a smaller percent of the dental population, it was necessary to oversample them to insure adequate numbers for statistical analysis. The proportion of specialists in the sample is higher than the actual proportion of specialists in the total population of dentists. Please note that individual specialists were not oversampled and, therefore, only statistics on specialists as a group are presented. Statistics computed for All Dentists were weighted to reflect national proportions.

7. REGIONS: The following is a breakdown of the states contained within each region.

New England: CT, ME, NH, RI, VT, MA
Middle Atlantic: NJ, NY, PA
East North Central: IL, IN, MI, OH, WI
West North Central: IA, KS, MN, MO, ND, NE, SD
South Atlantic: DE, MD, DC, FL, GA, NC, SC, VA, WV
East South Central: AL, KY, MS, TN
West South Central: AR, LA, OK, TX
Mountain: AZ, CO, ID, MT, NV, NM, UT, WY
Pacific: AK, CA, HI, OR, WA